

## SENATE

TUESDAY, AUGUST 5, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, our Father, we turn from the wild confusion of the world without, praying that Thou wilt cleanse our hearts from secret faults.

In the eternal struggle of truth and error, tyranny and liberty, give us the assurance that we do not fight alone, but that Thy increasing purpose is bound up with all this human struggle toward the goal of man's redemption from ignorance, hunger, and chains.

Riding forth with knightly valor, may we bear in our hands the commission of ancient days, "He hath sent us to bind up the broken hearts, to proclaim liberty to the captives and the opening of prisons to them that are bound, to proclaim the day of justice of our God." We ask it in the Name that is above every name. Amen.

## THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 4, 1958, was dispensed with.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

## REPORT ON ACTIVITIES OF INTER-AGENCY COMMITTEE ON AGRICULTURAL SURPLUS DISPOSAL—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry:

*To the Congress of the United States:*

I am transmitting herewith the eighth semiannual report on activities carried on under Public Law 480, 83d Congress, as amended, outlining operations under the act during the period January 1 through June 30, 1958.

DWIGHT D. EISENHOWER.  
THE WHITE HOUSE, August 5, 1958.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the bill (S. 2255) to amend section 607 (d) of the Merchant Marine Act, 1936, as amended.

The message also announced that the House had passed the following bills of the Senate, severally with amendments,

in which it requested the concurrence of the Senate:

S. 166. An act to amend the laws granting education and training benefits to certain veterans so as to extend, with respect to certain individuals, the period during which such benefits may be offered;

S. 359. An act to permit desert land entries on disconnected tracts of lands which, in the case of any one entryman, form a compact unit and do not exceed in the aggregate 320 acres;

S. 375. An act to amend the Interstate Commerce Act to provide for filing of documents evidencing the lease, mortgage, conditional sale, or bailment of motor vehicles sold to or owned by certain carriers subject to such act; and

S. 3199. An act to amend section 2324 of the Revised Statutes, as amended, to change the period for doing annual assessment work on unpatented mineral claims so that it will run from September 1 of one year to September 1 of the succeeding year, and to make such change effective with respect to the assessment work year commencing in 1959, and to provide for the suspension of such annual assessment work for the year ending July 1, 1958.

The message further announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1728. An act to provide certain assistance to State and Territorial maritime academies or colleges;

S. 1748. An act to add certain lands located in Idaho and Wyoming to the Caribou and Targhee National Forests;

S. 1798. An act to amend section 4426 of the Revised Statutes, as amended, with respect to certain small vessels operated by co-operatives or associations in transporting merchandise of members on a nonprofit basis to or from places within the inland waters of southeastern Alaska and Prince Rupert, British Columbia, or to or from places within said inland waters and places within the inland waters of the State of Washington; and

S. 4002. An act to authorize the Gray Reef Dam and Reservoir as a part of the Glendo unit of the Missouri River Basin project.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 52) extending greetings to the citizens of Nevada concerning the celebration of the centennial of the discovery of silver in the United States, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 3880) to create a Civil Aeronautics Board and a Federal Aviation Agency, to provide for the regulation and promotion of civil aviation in such manner as to best foster its development and safety, and to provide for the safe and efficient use of its airspace by both civil and military aircraft, with amendments, in which it requested the concurrence of the Senate; that the House insisted upon its amendments to the bill; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. ROGERS of Texas, Mr. FLYNT, Mr. WOLVERTON, Mr. O'HARA of Minnesota, and Mr. SCHENCK were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 474. An act to repeal section 217 of the Merchant Marine Act, 1936, as amended;

H. R. 4142. An act to amend the act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill., in order to make certain changes in the authority of such commission, and for other purposes;

H. R. 7779. An act to authorize free transit at the Panama Canal for vessels operated by State nautical schools;

H. R. 7866. An act to amend title 28, United States Code, relating to the Court of Customs and Patent Appeals;

H. R. 8129. An act to amend title XI of the Merchant Marine Act, 1936, as amended.

H. R. 8382. An act to amend the Shipping Act, 1916, to provide for licensing independent foreign freight forwarders, and for other purposes;

H. R. 9740. An act to convey certain land to the Makah Tribe of Indians;

H. R. 11697. An act to amend the act of June 29, 1888, relating to the prevention of obstructive and injurious deposits in the harbor of New York, to extend the application of that act to the harbor of Hampton Roads;

H. R. 13153. An act to amend title XI of the Merchant Marine Act, 1936, relating to Federal ship mortgage insurance, in order to include floating drydocks under the definition of the term "vessel" in such title;

H. R. 13342. An act to provide for a survey of Parish Line Canal, Louisiana;

H. R. 13371. An act to authorize the Secretary of Commerce to make certain payments out of the Vessel Operations Revolving Fund;

H. R. 13404. An act to amend section 404 (c) (1) of the Postal Field Service Compensation Act of 1955 to grant longevity credit for service performed in the Panama Canal Zone postal service; and

H. R. 13601. An act to revise, codify, and enact into law, title 39 of the United States Code, entitled "The Postal Service."

## ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1317. An act for the relief of Ralph N. Meeks;

H. R. 4381. An act to amend the act of July 1, 1948 (62 Stat. 1215), to authorize the furnishing of headstones or markers in memory of members of the Armed Forces dying in the service, whose remains have not been recovered or identified or were buried at sea;

H. R. 7293. An act for the relief of Capt. Carl F. Dykeman;

H. R. 8842. An act to quitclaim interest of the United States to certain land in Smith County, Miss., and to terminate restrictions against alienation thereon;

H. R. 9006. An act for the relief of John C. Houghton, Jr.;

H. R. 9756. An act for the relief of Gerald K. Edwards, Lawrence R. Hitchcock, Thomas J. Davey, and Gerald H. Donnelly;

H. R. 9986. An act for the relief of 1st Lt. Luther A. Stamm;

H. R. 10094. An act for the relief of the Western Union Telegraph Co.;

H. R. 10220. An act for the relief of William E. Nash;

H. R. 10416. An act for the relief of J. Henry Ennen and others;

H. R. 10461. An act to amend section 315 (m) of the Veterans' Benefits Act of 1957 to provide a special rate of compensation for certain blind veterans;

H. R. 10885. An act for the relief of Tibor Wollner;

H. R. 11008. An act to authorize the Secretary of the Interior to exchange certain land in Vicksburg National Military Park, Miss., and for other purposes;

H. R. 11108. An act for the relief of Mrs. Christina Tules; and

H. R. 11203. An act for the relief of the State House, Inc.

#### HOUSE BILLS REFERRED OR PLACED ON THE CALENDAR

The following bills were severally read twice by their titles, and referred or placed on the calendar, as indicated:

H. R. 474. An act to repeal section 217 of the Merchant Marine Act, 1936, as amended;

H. R. 7779. An act to authorize free transit at the Panama Canal for vessels operated by State nautical schools;

H. R. 8129. An act to amend title XI of the Merchant Marine Act, 1936, as amended;

H. R. 8382. An act to amend the Shipping Act, 1916, to provide for licensing independent foreign freight forwarders, and for other purposes;

H. R. 13153. An act to amend title XI of the Merchant Marine Act, 1936, relating to Federal ship mortgage insurance, in order to include floating drydocks under the definition of the term "vessel" in such title; and

H. R. 13371. An act to authorize the Secretary of Commerce to make certain payments out of the Vessel Operations Revolving Fund; to the Committee on Interstate and Foreign Commerce.

H. R. 4142. An act to amend the act creating the city of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill., in order to make certain changes in the authority of such commission, and for other purposes; placed on the calendar.

H. R. 7866. An act to amend title 28, United States Code, relating to the Court of Customs and Patent Appeals; and

H. R. 13601. An act to revise, codify, and enact into law, title 39 of the United States Code, entitled "The Postal Service"; to the Committee on the Judiciary.

H. R. 9740. An act to convey certain land to the Makah Tribe of Indians; to the Committee on Interior and Insular Affairs.

H. R. 11697. An act to amend the act of June 29, 1888, relating to the prevention of obstructive and injurious deposits in the harbor of New York, to extend the application of that act to the harbor of Hampton Roads; and

H. R. 13342. An act to provide for a survey of Parish Line Canal, La.; to the Committee on Public Works.

H. R. 13404. An act to amend section 404 (c) (1) of the Postal Field Service Compensation Act of 1955 to grant longevity credit for service performed in the Panama Canal Zone postal service; to the Committee on Post Office and Civil Service.

#### ENROLLED BILL SIGNED

The VICE PRESIDENT announced that on today, August 5, 1958, he signed the enrolled bill (H. R. 12628) to amend title VI of the Public Health Service Act to extend for an additional 3-year pe-

riod the Hospital Survey and Construction Act, which had previously been signed by the Speaker of the House of Representatives.

#### REPORT ENTITLED "THE STATUS AND ECONOMIC SIGNIFICANCE OF THE AIRLINE EQUIPMENT INVESTMENT PROGRAM"—COMMUNICATION FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following communication from the President of the United States, which, with the accompanying report, was referred to the Committee on Interstate and Foreign Commerce:

THE WHITE HOUSE,

Washington, August 1, 1958.

The Honorable RICHARD M. NIXON,

President of the Senate,

Washington, D. C.

DEAR MR. PRESIDENT: I am enclosing for the information of the appropriate committees of the Senate a report which was recently prepared for my Special Assistant, Mr. E. R. Quesada, concerning the status and economic significance of the current equipment investment program of the major air carriers which, in turn, affects the broader aviation industry. This report sets forth, in some detail, the present status of the major air carriers and discusses their ability to implement their investment program of approximately \$4 billion by 1962 in aircraft and equipment. This program is of such a size as to hold some significance to the national economy over the next few years.

I am today also transmitting the report to the appropriate agencies of government for their information and such action as they may deem appropriate within the framework of existing authority.

Sincerely,

DWIGHT D. EISENHOWER.

#### LEAVE OF ABSENCE

On request of Mr. MORTON, and by unanimous consent, Mr. GOLDWATER was granted leave, on official committee business, from attendance on the sessions of the Senate today and tomorrow.

#### COMMITTEE MEETINGS DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Subcommittee on Public Health, Education, Welfare, and Safety of the Senate District Committee, the Committee on Finance, and the Committee on the Judiciary be permitted to sit during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

#### LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine

business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

#### EXECUTIVE COMMUNICATIONS, ETC

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

##### SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reason for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

##### ADJUSTMENT OF IMMIGRATION STATUS OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered in the cases of certain aliens, relating to adjustment of their immigration status (with accompanying papers); to the Committee on the Judiciary.

#### PETITION

The VICE PRESIDENT laid before the Senate a petition signed by the president and members of the Puerto Rican Mission in Behalf of the Independence of Puerto Rico, relating to Puerto Rican independence; which was referred to the Committee on Interior and Insular Affairs.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mrs. SMITH of Maine, from the Committee on Armed Services, without amendment:

H. R. 781. An act to amend title 10, United States Code, to make retired pay for non-regular service available to certain persons who performed active duty during the Korean conflict (Rept. No. 2188).

By Mr. SYMINGTON, from the Committee on Armed Services, without amendment:

S. 3534. A bill to authorize the Secretary of the Army to convey approximately 181 acres of land at Fort Crowder Military Reservation to the city of Neosho, Mo. (Rept. No. 2203).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs, with amendments:

H. R. 7466. An act to provide for the establishment of a facility of the Vicksburg National Historical Park (Rept. No. 2197).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 3648. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Navaho Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes (Rept. No. 2198).

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, with amendments:

S. 1887. A bill to authorize the Secretary of the Interior to construct the San Luis



unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes (Rept. No. 2202).

By Mr. THYE, from the Committee on Agriculture and Forestry, without amendment:

S. 3858. A bill authorizing Commodity Credit Corporation to purchase flour and cornmeal and donating same for certain domestic and foreign purposes (Rept. No. 2196).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, without amendment:

S. 3333. A bill to facilitate the insurance of loans under title I of the Bankhead-Jones Farm Tenant Act, as amended, and the act of August 28, 1937, as amended (relating to the conservation of water resources), and for other purposes (Rept. No. 2192).

H. R. 6542. An act to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the town of Dayton, Wyo. (Rept. No. 2194);

H. R. 11800. An act to authorize the Secretary of Agriculture to convey a certain parcel of land and buildings thereon to the city of Clifton, N. J. (Rept. No. 2193); and

H. Con. Res. 295. Concurrent resolution favoring the establishment of a Hall of Fame for Agriculture (Rept. No. 2190).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with an amendment:

S. 4151. A bill to amend the Agricultural Adjustment Act of 1938, as amended, so as to establish uniform provisions for transfer of acreage allotments (Rept. No. 2195).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with amendments:

S. 2142. A bill to amend section 8e of the Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, so as to provide for the extension of the restrictions on imported commodities imposed by such section to all imported citrus fruits, and to sliced figs, dried figs, and fig paste (Rept. No. 2191).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 654. A bill to amend title 18, United States Code, to authorize the enforcement of State statutes prescribing criminal penalties for subversive activities.

By Mr. McCLELLAN, from the Committee on Government Operations, with amendments:

S. 3224. A bill to improve opportunities for small-business concerns to obtain a fair proportion of Government purchases and contracts, to facilitate procurement of property and services by the Government, and for other purposes (Rept. No. 2201).

By Mr. ERVIN, from the Committee on Government Operations, with an amendment:

S. J. Res. 188. Joint resolution providing for the conveyance of certain real property of the United States situated in Philadelphia, Pa., to Paul & Beekman, Inc., Philadelphia, Pa. (Rept. No. 2200).

By Mr. HAYDEN, from the Committee on Appropriations, with amendments:

H. R. 13192. An act making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 2204).

By Mr. BYRD, from the Committee on Finance, with amendments:

H. R. 11346. An act to amend title II of the Social Security Act to include Massachusetts among the States which are permitted to divide their retirement systems into two parts so as to obtain social-security coverage, under State agreement, for only

those State and local employees who desire such coverage (Rept. No. 2206).

#### AMENDMENT OF MERCHANT MARINE ACT, 1936, TO ENCOURAGE VESSEL CONSTRUCTION BY PRIVATE CITIZENS (S. REPT. NO. 2199)

Mr. MAGNUSON. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorably, with amendments, the bill (S. 2568) to amend the Merchant Marine Act, 1936, as amended, to promote and encourage the construction, and to expedite the financing from private sources, of vessels suitable for use in the foreign and domestic trade of the United States, and for defense purposes, and to encourage the maintenance of shipyards and to preserve the supply of skilled shipyard workers, and I submit a report thereon. I move that the bill, as reported, be referred to the Committee on Finance.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to.

#### AMENDMENT OF TITLE V OF AGRICULTURAL ACT OF 1949 (S. REPT. NO. 2189)

Mr. ELLENDER. Mr. President, from the Committee on Agriculture and Forestry, I report an original bill to amend title V of the Agricultural Act of 1949, as amended, and I submit a report thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 4232) to amend title V of the Agricultural Act of 1949, as amended, reported by Mr. ELLENDER, from the Committee on Agriculture and Forestry, was read twice by its title, and placed on the calendar.

#### AMENDMENT OF TARIFF ACT OF 1930, RELATING TO UNMANUFACTURED MICA AND MICA FILMS AND SPLITTINGS—REREERENCE OF BILL—REPORT OF A COMMITTEE

Mr. BENNETT. Mr. President, on August 20, 1957, there was reported from the Committee on Finance, with amendments, the bill (H. R. 6894) to amend the Tariff Act of 1930 as it relates to unmanufactured mica and mica films and splittings, and that bill is now on the calendar. At the request of the chairman, and as his representative, I ask unanimous consent that the bill be taken from the calendar and rereferred to the Committee on Finance.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BENNETT subsequently said. Mr. President, from the Committee on Finance, I report favorably, without amendment, the bill (H. R. 6894) to amend the Tariff Act of 1930 as it relates to unmanufactured mica and mica films and splittings and I submit a report (No. 2205) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CLARK:

S. 4229. A bill for the relief of Klarchen Huebner; to the Committee on the Judiciary.

By Mr. FLANDERS:

S. 4230. A bill to provide that the owners of land who are deprived of their ownership therein by reason of the exercise by the United States of its powers of eminent domain be fairly compensated for the losses they suffer as a result of the taking of such land; to the Committee on the Judiciary.

(See the remarks of Mr. FLANDERS when he introduced the above bill, which appears under a separate heading.)

By Mr. MAGNUSON (by request):

S. 4231. A bill to amend the Communications Act of 1934, as amended, to permit consolidations or mergers of international telegraph and marine carriers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ELLENDER:

S. 4232. A bill to amend title V of the Agricultural Act of 1949, as amended; placed on the calendar.

(See the remarks of Mr. ELLENDER when he reported the above bill, which appears under the heading "Reports of Committees.")

By Mr. HUMPHREY:

S. 4233. A bill to amend the Clayton Act to declare private antitrust suits to be impressed with a substantial public interest;

S. 4234. A bill to amend section 4B of the Clayton Act;

S. 4235. A bill for the relief of Chia Wei Ku; and

S. 4236. A bill to provide for the publication before entry of decrees, judgments, and orders entered by consent upon the merits of civil antitrust proceedings; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the first two of the above-mentioned bills, which appear under a separate heading.)

By Mr. HILL (for himself, Mr. SMITH of New Jersey, Mr. MURRAY, Mr. PURTELL, Mr. KENNEDY, Mr. ALLOTT, Mr. McNAMARA, Mr. COOPER, Mr. MORSE, Mr. YARBOROUGH, Mr. SPARKMAN, Mr. FULBRIGHT, Mr. PASTORE, Mr. LANGER, Mr. HUMPHREY, Mr. KERR, Mr. KEFAUVER, Mr. JACKSON, Mr. HENNINGSON, Mr. SYMINGTON, Mr. MAGNUSON, Mr. GREEN, Mr. PROXMIER, Mr. CHAVEZ, Mr. MONRONEY, Mr. DOUGLAS, Mr. MANSFIELD, Mr. LONG, Mr. CARROLL, and Mr. NEUBERGER):

S. 4237. A bill to strengthen the national defense, advance the cause of peace, and assure the intellectual eminence of the United States, especially in science and technology, through programs designed to stimulate the development and to increase the number of students in science, engineering, mathematics, modern foreign languages, and other disciplines, and to provide additional facilities for the teaching thereof; to promote the development of technical skills essential to the national defense; to assist teachers to increase their knowledge and improve their effectiveness; to inform our scientists promptly and effectively of the results of research and study carried on in the United States and throughout the world; and for other purposes; to the Committee on Labor and Public Welfare.

### ADDITIONAL EXPENDITURES BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. MURRAY submitted the following resolution (S. Res. 356), which was referred to the Committee on Rules and Administration:

*Resolved*, That the Committee on Interior and Insular Affairs is hereby authorized to expend from the contingent fund of the Senate, during the 85th Congress, \$10,000, in addition to the amount, and for the same purposes specified in section 134 (a) of the Legislative Reorganization Act, approved August 2, 1946.

### EMINENT DOMAIN COMPENSATION ACT OF 1958

Mr. FLANDERS. Mr. President, I introduce, for appropriate reference, a bill to provide that the owners of land who are deprived of their ownership therein by reason of the exercise by the United States of its powers of eminent domain shall be fairly compensated for the losses they suffer as the result of the taking of such lands.

I may say that I am introducing the bill at this time because of experiences in my State with the exercise of the power of eminent domain.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 4230) to provide that the owners of land who are deprived of their ownership therein by reason of the exercise by the United States of its powers of eminent domain be fairly compensated for the losses they suffer as a result of the taking of such land, introduced by Mr. FLANDERS, was received, read twice by its title, and referred to the Committee on the Judiciary.

### PROPOSED LEGISLATION TO AMEND THE CLAYTON ACT

Mr. HUMPHREY. Mr. President, on July 18 I submitted on behalf of the Senate Small Business Committee a report entitled "The Role of Private Antitrust Enforcement in Protecting Small Business—1958." The report was based upon testimony taken at public hearings held by the Subcommittee on Retailing, Distribution, and Fair Trade Practices and by the Monopoly Subcommittee, of which the Senator from Louisiana [Mr. LONG] is chairman.

In the report, our committee made two administrative and eight legislative recommendations for sharpening the blunt tool of private antitrust enforcement. Those recommendations were:

#### ADMINISTRATIVE

1. The Attorney General and the Assistant Attorney General in charge of the Antitrust Division should carefully reconsider the Department's current policy regarding consent judgments for the purpose of determining whether such policy is achieving the maximum in benefits to competition.

2. Some private group, such as the antitrust section of the American Bar Association, should undertake a study and make recommendations on how to reduce to reasonable limits the presently prohibitive costs of private antitrust litigation.

#### LEGISLATIVE

1. Section 3 of the Robinson-Patman Act should be made an integral part of the antitrust statutes, as contemplated by S. 3079, 85th Congress, 2d session. (S. 3079, introduced by Senator JOHN SPARKMAN. See CONGRESSIONAL RECORD for January 23, 1958, p. 790.)

2. Clayton Act orders issued by the Federal Trade Commission should become final judgments by the lapse of time, unless appealed, as is proposed in S. 721, 85th Congress, 1st session. (S. 721, introduced by Senator JOHN SPARKMAN, January 17, 1957. See also CONGRESSIONAL RECORD, January 30, 1957, p. 1299.)

3. Attorney's fees and actual costs of suit should be made recoverable in private antitrust actions for injunctive relief.

4. Recoveries in the form of treble damages, now taxed as ordinary income in the year of recovery, should be taxed over a reasonable period of years. (H. R. 8381, as amended by Senator RUSSELL B. LONG, provides for more equitable taxation of treble damage recovery.)

5. By resolution, Congress should declare that private antitrust actions are impressed with a substantial public interest.

6. Thirty days before becoming final, the terms of all antitrust consent judgments or orders should be published in the Federal Register in order to give the general public an opportunity to lodge objections to the proposed judgment or order with the Justice Department or the Federal Trade Commission. (H. R. 427, introduced by Congressman JAMES ROOSEVELT.)

7. Agreements waiving private enforcement rights under the antitrust laws should be declared null and void, as contrary to public policy.

8. So long as Justice Department relies heavily on consent judgments to terminate suits short of trial, thus depriving potential private plaintiffs of the benefit of a court record, appropriate means should be devised to make the maximum amount of Government-secured information available to such plaintiffs. Therefore, the Department should be required, as a condition to accepting a consent decree, to file with the court an evidentiary memorandum fully setting forth the evidence upon which it relied in bringing the case. This memorandum would be a public record of the court.

As will be noted, four of the legislative recommendations made by our committee pertain to specific legislation proposed and pending before the Congress. S. 721 has been passed by a unanimous vote of the Senate and is now awaiting final action by the House of Representatives. Public hearings have been held by the House Judiciary Committee on a companion bill to S. 3079. H. R. 8381, which now contains the amendment of the Senator from Louisiana [Mr. LONG], concerning taxation of treble damage recoveries, was on Monday of last week placed on the Senate Calendar. Finally, H. R. 427 is being considered by the House Judiciary Committee, and early action on the measure seems assured.

Last Friday, the Senator from Louisiana [Mr. LONG] introduced 2 bills to apply to 2 of the 4 legislative recommendations not already covered by specific legislation. Briefly, the Long measures included:

First. A bill authorizing the recovery of attorney's fees and actual costs of suit in private antitrust actions for injunctive relief.

Second. A bill requiring the Department of Justice to file with the court,

when accepting a consent judgment, a memorandum setting forth the evidence it relied upon in bringing the suit. Such memorandum is to become a public record of the court.

Today, I introduce 2 bills expressly designed to apply to the other 2 legislative recommendations not covered by specific legislation. These measures are:

First. A bill prohibiting the waiver of private enforcement rights under the antitrust laws.

Second. A bill declaring that private antitrust actions are impressed with a public interest.

I also wish to introduce a companion measure to Representative JAMES ROOSEVELT's H. R. 427, a bill requiring publication of the terms of all antitrust judgments and orders in the Federal Register, 30 days before such judgment or order is to become final.

With the introduction of these bills, Congress now has before it the proposed legislation necessary to strengthen the role played by private antitrust enforcement in maintaining competition and protecting small business. Both the Senator from Louisiana and I are confident that Congress will move promptly in this area to discharge its major responsibilities to the small-business community.

The VICE PRESIDENT. The bills will be received and appropriately referred.

The bills, introduced by Mr. HUMPHREY, were received, read twice by their titles, and referred to the Committee on the Judiciary, as follows:

S. 4233. A bill to amend the Clayton Act to declare private antitrust suits to be impressed with a substantial public interest; and

S. 4234. A bill to amend section 4B of the Clayton Act.

### CONSERVATION OF MIGRATORY FISH AND GAME—AMENDMENTS

Mr. MORSE submitted amendments, intended to be proposed by him, to the bill (S. 3185) to promote the conservation of migratory fish and game by requiring certain approval by the Secretary of the Interior of licenses issued under the Federal Power Act, which were ordered to lie on the table, and to be printed.

### AMENDMENT OF THE INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENTS

Mr. BRICKER submitted amendments, intended to be proposed by him, to the bill (H. R. 8321) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which were ordered to lie on the table, and to be printed.

Mr. BUSH. Mr. President, I submit an amendment, intended to be proposed by me to House bill 8381, the Technical Amendments Act of 1958, and request that it lie on the table and be printed.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.



Mr. BUSH. This amendment is submitted to House bill 8381, the Technical Amendments Act of 1958. The amendment is designed to correct an inconsistency in the law, by extending to importers of electric-light bulbs the same treatment provided by present law to importers of electric, oil, and gas appliances. The floor-stock refunds authorized by the Excise Tax Reduction Act of 1954 provided that dealers and others who, on the rate-reduction date, held electric, oil, and gas appliances in stock for resale or for use in further manufacture might apply to the manufacturer, producer, or importer for a refund of the difference between the tax rate applicable to such items prior to enactment of the Excise Tax Reduction Act and 10 percent, the applicable rate following enactment of that act. The manufacturer, producer, or importer could then apply to the Internal Revenue Service for a refund of the amount paid to dealers and others under the act.

In the case of electric-light bulbs, however, the relief provided by the floor-stock refund was limited to manufacturers or producers. Importers, perhaps through inadvertence, were not included in this refund provision, although importers were specifically included in the refund provision relating to electric, oil, and gas appliances. This amendment would place importers of both classes of items on an equal basis.

#### NOTICE CONCERNING NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been received and is now pending before the Committee on the Judiciary:

Hubert I. Teitelbaum, of Pennsylvania, to be United States attorney, western district of Pennsylvania, for the term of 4 years, vice Malcolm Anderson, resigned.

Jay Neal, of Arkansas, to be United States marshal for the western district of Arkansas for a term of 4 years, reappointment.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in the nominations to file with the committee, in writing, on or before Monday, August 11, 1958, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

#### THE FOREIGN POLICY SITUATION

Mr. CLARK. Mr. President, as the days go by, I fear that the conduct of our foreign policy is giving constantly increasing concern to all thoughtful Americans. Not only does it appear that we have succeeded in alienating most of our allies, in connection with the proposed summit conference, but it also appears that in the Department of State itself there are now two widely divided schools of thought as to the action we should take.

This morning there was published in the New York Times an article entitled

"Fissuring Summit—Clefts Are Discernible on Both Sides, and Washington Appears To Be Divided," written by James Reston. I ask unanimous consent that the article be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FISSURING SUMMIT—CLEFTS ARE DISCERNIBLE ON BOTH SIDES AND WASHINGTON APPEARS TO BE DIVIDED

(By James Reston)

WASHINGTON, August 4.—The United Nations summit meeting, which seems to have divided Washington from Paris and London, and even Moscow from Peking, is now beginning to divide the Eisenhower administration.

Though nobody will know until the next mail comes in from Nikita S. Khrushchev whether there will be a summit meeting, preparations are going on here on the assumption that there will be one. And these preparations have disclosed a wide breach within the State Department on what the United States approach should be.

Secretary of State Dulles has already defined his position in public. He said at his news conference last Thursday that he wanted to concentrate on two things: Dispelling the allegations of the Soviet Union that the United States and Britain were guilty of aggression in the Middle East; and persuading the Soviet Union to give up its campaign of indirect aggression in the Middle East before it led to war.

"I believe," Mr. Dulles said, "that if the Soviet Union does not want a war, they will almost have to agree that these practices [of indirect aggression] should be brought under some kind of United Nations control."

Elsewhere high in the State Department, it is felt that this approach will only lead to charges and countercharges, getting nowhere. Accordingly, these officials are proposing that the United States go to the summit, not with a catalog of complaints about the past, but with a program of future political accommodation and economic development in the Middle East.

#### THE HEART OF THE MATTER

Mr. Dulles is approaching the summit with a simple diagnosis and a simple solution. His diagnosis is that communism and Nasserism, working in combination, are the heart of the problem.

He is proposing that President Eisenhower go to the summit and make clear to Mr. Khrushchev and President Nasser that if they don't stop this gangsterism war will be the result. One gathers that Mr. Dulles does not propose an ultimatum, but he would, at least, suggest that war will be the end of the present trend.

This is what he said Thursday:

"If the practices of indirect aggression as they are being developed at the present time are allowed to persist in the world, and if no way is found to check that, then I think the world is indeed in grave danger of war."

Specifically, Mr. Dulles is asking that Mr. Khrushchev, to avoid war, agree to United Nations control of subversive activities, to United Nations resolutions condemning indirect aggression, to United Nations monitoring of radio broadcasts in the Middle East, and to a larger United Nations observation force that could help maintain the independence of any government threatened from abroad.

Some of Mr. Dulles' closest associates in the administration think this is a very pleasant but very unrealistic approach. They think the Secretary of State is, in effect, asking the Communist revolutionaries to give up revolution as an instrument of policy.

#### SOME PENCHANT QUESTIONS

They are asking some difficult questions: Could Mr. Dulles or President Eisenhower demonstrate before the United Nations Security Council that Moscow or Cairo was responsible for the revolution in Iraq? These officials do not think they could.

Would Mr. Dulles deny to Moscow the right to give money and guns to the friends of communism in the Middle East while insisting on Washington's right to give money and guns to the friends of the West?

How do you tell whether peoples living under despotic Middle Eastern governments are acting under indictment from Moscow and Cairo or are merely exercising "the right and duty" of rebellion claimed in our own Declaration of Independence?

Finally, is the United States really prepared to wage war in the Middle East, 5,000 miles from home, against the Soviet Union, which borders on the Middle East? And if not, why pose this as an alternative to present Soviet and Egyptian policy?

In short, there is a basic disagreement here tonight among the top foreign policy advisers to the President on Mr. Dulles' diagnosis and solution of the Middle East problem and on his agenda for the summit.

At least some of the Secretary of State's closest associates think that communism and Nasserism are both symptoms of deep popular grievances against the social, economic, and political feudalism of the Middle East. They agree that Mr. Khrushchev and Mr. Nasser are exploiting these grievances, but believe that the violent movement toward Arab unity and a larger measure of social equality would continue in the Middle East even if communism and Nasserism were not stirring things up.

Finally, they do not think communism and Nasserism are as closely allied as Mr. Dulles seems to think they are.

Accordingly, these officials do not want to see the President of the United States go to the summit to wrangle over "aggression" and "indirect aggression" in the Middle East.

They would, frankly, like to see the whole thing called off until he could go to a realistic, well-prepared summit meeting with an imaginative plan for the political and economic development of the Middle East.

Meanwhile they would prefer to see the United States Government get down to the hard economic realities of demonstrating to the Middle Eastern nations that the Western Hemisphere can and will provide an alternative to Middle East oil for Western Europe if the present trend continues.

Their premise is that the United States cannot hope to stop the economic and political warfare of the Soviet Union in the Middle East, but can, if necessary, play this game effectively itself.

Mr. CLARK. Mr. President, the distinguished columnist, Walter Lippmann, in an article entitled "A Dulles Formula," which was published today in the Washington Post, has commented in a way with which I find myself in complete agreement, with respect to the proposed attitude of the Secretary of State at the forthcoming summit conference.

I ask unanimous consent that the article by Mr. Lippmann be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### A DULLES FORMULA

(By Walter Lippmann)

While we do not know much about the meeting at Peking over the weekend between the Russians and the Chinese, we do know that it has added a new complication to a

summit meeting. Khrushchev's original proposal had the great practical advantage that it looked to the Middle East without raising the problems of the Far East. On this essential point, General de Gaulle's proposal took advantage of what really was an important concession, and offered to meet at the summit without Red China participating.

But our own counter proposal, which insisted upon imbedding a summit meeting in the Security Council, meant not only that Mao was not to be present but that Chiang had the right to be present and in case there was any voting under the council's procedure, to exercise a veto.

Now Mr. Dulles has missed the bus, and if there is to be a summit meeting at all, we must expect that in one way or another Mao will have a part in it.

In my own view I am unhappy and apprehensive about the way we are being pushed backwards with our minds confused into a summit meeting. For judging by Mr. Dulles' press conference last week he has not cast himself in the role of a statesman who knows that to make progress towards stability in the Middle East he must give as well as take. He is playing the part of a litigating lawyer who hopes to win an argument. He is out to prove first, that the intervention in Lebanon and Jordan was legal. Having been done at the invitation of the legitimate governments, it is not, therefore, aggression. This is undoubtedly true. And second, he means to turn the table, and charge the Russians and the United Arabs with "indirect aggression." If someone had tried to devise a formula most likely to set off a rhetorical explosion which will poison the air, he could not have found a more sure-fire mischief-maker.

Someone to whom the President will listen should warn him that he will make a great mistake if he thinks that he can dominate the summit conference with charges of indirect aggression. For the truth is that indirect aggression—that is to say, propaganda, infiltration, bribery, subversion—is an old instrument of power politics, and in our time it is the way the cold war is fought. Both sides use it when they think they can do so to their own advantage. It would impair, not enhance, the President's moral credit if he were to become blindly self-righteous, and were to tell a knowing and skeptical world that we do not resort to what he calls indirect aggression and that only our adversaries do.

Panama will be sitting on the Security Council, a living reminder of how the United States obtained the Canal Zone in order to build the canal. Guatemala was only recently the scene of a successful coup, publicly applauded by Mr. Eisenhower himself, to oust an anti-American and fellow traveling government. The President will be reminded of what happened in Iran when Mossadegh was pushed out. Over the whole of the President's denunciation of external interference against existing governments will hang the Dulles theory of the liberation of Eastern Europe, and the obvious fact that if we knew a way to overturn the existing governments without the enormous risks of war, we should be only too happy to use that way.

The central fact is that in the cold war today, the opportunities open to our adversaries are much greater than those open to us. For we are opposing three big revolutionary movements—the Russian, the Chinese, and the Arab—which has a potent appeal to the intellectual leaders and to the masses of backward countries. Not all countries are vulnerable to these revolutionary movements. But a great many countries are, and it is in them that indirect aggression works. Governments are not easily overthrown from abroad unless there is already within the country a strong dis-

position to encourage and to receive external aid.

The thesis, propounded by Mr. Dulles and accepted by Mr. Eisenhower, amounts to a demand that in the weapons of the cold war, our adversaries shall disarm and in effect acquiesce in their own military containment, as for example, by the remaining members of the Baghdad Pact. Mr. Dulles is telling the President to demand the impossible, and national policies based on impossible demands are very unwise indeed. They are likely to lead a country into a dilemma where it must choose between a retreat which is humiliating and an advance which may be disastrous.

Mr. Dulles is concerned, and rightly so, by the progress of the revolutionary movement in the Middle East. But he is indulging in a legal daydream, and is in the highest degree unrealistic, if he thinks the President can induce Mr. Khrushchev, or the United Nations, to agree to a legal prohibition that is more than a pious platitude. It is a startling footnote to Mr. Dulles' thesis that having announced his doctrine about indirect aggression on Thursday, he followed it up on Saturday by recognizing the revolutionary government of Iraq, presumably a product of indirect aggression.

The real problem of the western statesmen is to find the ground on which an accommodation can be reached with the revolutionary movements which now dominate so much of Asia, and are reaching into Africa. That ground is not easy to find. But Mr. Dulles, it appears, is not seriously looking for it. He is too busy, too tired, too discouraged, too stale. What Mr. Dulles is doing is to resist and then to retreat, as generals do when they have no better option than to fight a series of rear guard actions.

It is beginning to look as if the President, who has to be carried along by his advisers, needs the help of some fresher minds.

Mr. CLARK. Mr. President, at this point our country is in a grave situation. Mr. Lippmann, who is no alarmist, has called for the resignation of Secretary of State Dulles as practically the only way to get ourselves out of the difficulties in which we find ourselves in connection with our foreign policy. I find myself in agreement with Mr. Lippmann.

#### MANY AGED PERSONS MUST TURN TO PUBLIC WELFARE BECAUSE SOCIAL SECURITY BENEFITS ARE TOO LOW

Mr. PROXMIER. Mr. President, one of the finest, most precious characteristics of the social security principle is being seriously undermined today because social security payments are too low.

Hundreds of thousands of retired people are forced to turn to public-welfare assistance because their monthly social security checks are too small to cover their needs for bare existence. This undermines one of the principal foundations of the basic philosophy of social security. Our retired people, after a lifetime of work, are entitled to a comfortable and secure retirement in their golden years. They deserve it. And one of the finest things about the social security system is that it enables people to earn their own old-age retirement benefits.

Millions upon millions of Americans are providing for their old age on a pay-as-you-earn basis under our social security system. There is nearly universal

acceptance of the social security program. The principal reason is precisely because social security is not relief; it is something that the people who receive it have earned themselves. It is not charity; it is a return for their own hard work. It is something they can accept proudly and with dignity—the kind of dignity that is deserved by the fine old men and women who have given their lifetimes to making our Nation rich and powerful beyond comparison.

But for all too many of our retired elder citizens this promise of comfort with dignity in their old age has become a bitter mockery. Social security benefits today are much too low to provide a retirement without fear, in comfort and good health. Social security checks do not stretch far enough to provide warm clothes, nourishing food, a comfortable and decent home, good medical care, and the many other things our senior citizens need and deserve.

Thousands and thousands of our senior citizens, who have seen their rights to dignified retirement in their old age robbed by rising living costs, now find that they cannot survive on their social security checks. They simply do not stretch far enough to keep body and soul together.

Insufficient social security benefits force many elder Americans to seek help from public and private welfare agencies.

It makes much better sense, Mr. President, to meet the needs of these elder Americans from social security funds instead of general tax funds.

Social security benefits can be increased with absolutely no effect on the budget. It is imperative that the Senate act to do this without delay.

#### THE LATE VICE ADM. JAMES HENRY FLATLEY, JR.

Mr. CAPEHART. Mr. President, it is my high privilege today to pay public tribute on the floor of the United States Senate and in the CONGRESSIONAL RECORD to the late Vice Adm. James Henry Flatley, Jr., retired, who passed away on July 9 after serving his country with great distinction.

Adm. Jimmy Flatley was my personal friend, and I know that he counted among his good friends many, many Members of the Senate over the long period of his distinguished service in the Navy.

As I say, Mr. President, Admiral Flatley was my good friend, but I confess that I was not fully aware of the brilliance of his naval service until the shock of his death brought it forcefully to my attention.

I am sure, therefore, that there are a great many others who shared my great personal admiration and affection for Admiral Flatley, but who, like myself, were not fully aware of the degree of distinction and accomplishment with which he served. It is for that reason that I take the liberty of placing in the RECORD at the conclusion of these remarks a series of communications addressed to Mrs. Flatley, following the admiral's death, by high ranking civilians, including the Honorable Thomas S.



Gates, Secretary of the Navy, and personnel of the high Navy command.

Mr. President, it is with great pride that I have the honor to announce to the Senate that Secretary Gates has informed me that he is instituting action to award the Distinguished Service Medal to Admiral Flatley posthumously "in recognition of his inspired leadership and exceptional contribution to the successful growth of naval aviation."

Mr. President, I deem it altogether fitting and proper that the RECORD of these remarks include the funeral sermon delivered on July 11, 1958, by Vice Adm. Maurice S. Sheehy, a retired naval chaplain, who served with Admiral Flatley.

I believe the RECORD also should include a letter dated June 26, 1958, addressed to Admiral Flatley by the Secretary of the Navy, which I consider to be one of the greatest tributes I have ever read.

I ask unanimous consent that the material to which I have referred be printed in the RECORD as a part of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MISSOURI HOUSE,

Naval Base, Norfolk, Va., July 9, 1958.

DEAR MRS. FLATLEY: I am indeed distressed to learn of Jimmy's death. He was indeed a wonderful man and a great naval officer and he leaves behind a set of standards that any man could aspire to.

It can be little consolation to you and your fine family that he will live forever in the minds and hearts of his countless friends.

Our deepest and heartfelt sympathies to all the Flatleys from all the Wrights.

Very sincerely,

JERALD WRIGHT.

CHIEF OF NAVAL OPERATIONS,  
July 9, 1958.

Mrs. JAMES H. FLATLEY, Jr.,  
Chevy Chase, Md.

DEAR DOTTIE: The Navy, for which Jim gave so much, is going to miss his strong and ready hand, and I will especially miss him. It only seems yesterday that Jim and I were working together on Admiral Mitscher's staff. Jim's keen sense of leadership coupled with his skill and aggressiveness in battle was one of our Nation's strongest bulwarks against a determined enemy. The memories of those strenuous times are valuable, not to you and I alone, but to the entire Navy, for the deeds upon which those memories are based will serve as an inspiration to young officers and men aspiring to distinguished service.

Valor, courage, and effectiveness in battle are necessary attributes of a great naval officer, but there are other vital qualities which Jim held to the highest degree. His performance as commanding officer of the air station at Olathe, for instance, is a prime example of how hard work, clear thinking, and selfless devotion to the Navy created not only a model naval command, but engendered untold civilian respect for our service.

No other experience is as satisfying to a naval officer as command at sea, and when that command responds to leadership and emerges as a superb ship like the U. S. S. *Lake Champlain*, the personal reward is rich indeed. Jim knew that reward and knew it well. He has been a loyal shipmate to thousands of officers and men, and they, too, will miss his leadership, his support, and his friendship. His precept and guidance will live on in those whom he has taught and led and who are better men for having known Jim Flatley.

I feel this loss so deeply because Jim was a dear shipmate whose strength, encouragement, and warm friendship have meant so much to me. Perhaps it is some condolence in your great sorrow to realize with pride and satisfaction that you and Jim have had many good years together. You have raised fine boys who are a living tribute to you and Jim. Jim's life has been well spent, productive and helpful in the service of God, peace, and his fellow man. No one can do more than make the most of his allotted years, and Jim selflessly used his to the fullest and in the highest cause.

It is difficult to convey the feeling of admiration, respect, and gratitude I hold for Jim Flatley. Every sailor and airman who ever knew him knows we have lost one of our best. The determination, the zest, and the spirit which he brought with him everywhere will remain with his shipmates.

May God bless you and bring you His comfort.

Sincerely,

ARLEIGH BURKE.

HEADQUARTERS, UNITED STATES

MARINE CORPS.

OFFICE OF THE COMMANDANT,

Washington, D. C., July 9, 1958.

Mrs. JAMES H. FLATLEY, Jr.,  
Chevy Chase, Md.

DEAR MRS. FLATLEY: I was profoundly shocked to hear of the death of your husband. His passing is a great loss to all of us.

I know there is nothing I can say which will lessen your sorrow; however, it is my fervent prayer that Almighty God will sustain and strengthen you in this hour of trial.

Most sincerely,

R. MCC. PATE.

NAVY RELIEF SOCIETY,

NAVY DEPARTMENT,

Washington, D. C., July 10, 1958.

DEAR MRS. FLATLEY: It was with great and sincere regret that I learned this morning of the sad and untimely death of Admiral Flatley. As you know, he was an interested and valuable member of the Board of Managers of the Navy Relief Society and made a real contribution to that work during his period of service. He will be greatly missed on the board as well as throughout the naval service.

As you must know, also, Jimmy Flatley was loved and respected not only by his friends but by all those who came in contact with him. All of us share your great loss and offer our deepest sympathy to you and his family. It is our hope that his own fortitude during his long illness and the knowledge of the high esteem in which he was held may serve to sustain you in this trying period.

The Board of Managers of the Navy Relief Society, by formal resolution, have directed me to express to you, their sympathy and their very real regret in all our loss. May I express, also my personal sorrow and sense of having lost a fine friend.

Sincerely yours,

V. R. MURPHY,

Vice Admiral, United States Navy  
(ret.), Executive Vice President.

CHIEF OF STAFF,

NAVAL AIR TRAINING COMMAND,  
Pensacola, Fla., July 11, 1958.

DEAR DOTTIE: Please accept my deepest sympathy on the tragic loss of Jim. I know there is little one can say at a time like this, but I guess we must remember all things happen for the best. You have every reason to be proud of him. He was the finest officer and gentleman I have ever known. The Navy and the country were fortunate in having had a man like him serve them so well.

Jim's loss was a tragic one to you, his many friends, and the country, but he has left his mark and never will be forgotten.

If I can ever be of any assistance to you or your family, please do not hesitate to call on me.

Sincerely yours,

CAPT. EMMETT RIERA.

JULY 11, 1958.

Mrs. JAMES H. FLATLEY,

Chevy Chase, Md.

DEAR DOTTIE: It is with genuine regret that I cannot be present at the memorial services for Jimmy today.

China and I have already sent flowers, but Jimmy meant so much in my life that there is more to say.

We were first together in fighting plane days at North Island, San Diego, when I commanded VF2 and Jimmy was in VF5. The two squadrons were very close and this marked the beginning of my long and valued friendship with Jimmy.

You will recall at Jacksonville when Jimmy worked night and day to write the Air Station Regulations. We had a deadline to meet and he met it. I remember that after the excellent dinner you cooked on Christmas Day 1940, Jimmy and I polished off the last loose ends of the regulations so that they could be printed and issued before our training operations began on the first of the year. Jimmy did such an excellent job that no changes were required for many years thereafter.

This was characteristic of Jimmy in everything he did, as I am sure you well know. He gave his utmost to the Navy and to his country.

Next, I met him in the New Hebrides Islands in the South Pacific. He agreed to become my air group commander in the New Yorktown. It was Jimmy's devoted, courageous, and forceful leadership that established the base for the unsurpassed battle record of "Fighting Lady."

Again at Corpus Christi he accomplished a superb administrative task for me.

Always he gave unselfishly, intelligently, and wholeheartedly to the mission at hand. His record of service is in keeping with the best traditions of the Navy, and will stand as an inspiration to all future naval officers.

He fought a good fight. He kept the faith. Very best regards from China and me to all the Flatley family and please let me know if I can ever be of any assistance to you in any way. I assure that anything I can do will be my pleasure.

Sincerely,

J. J. CLARK,  
Admiral, USN, Retired.

JULY 14, 1958.

Mrs. JAMES H. FLATLEY,

Chevy Chase, Md.

MY DEAR MRS. FLATLEY: Last May, at the annual convention of the Navy League, the delegates adopted a resolution of encouragement in Jimmy's behalf. That was the first time that I had heard of his illness.

The news of his passing will not only bring sorrow to his many friends, but also engenders a genuine feeling of loss.

Your husband not only had a splendid mind, but he also had the deep convictions and the character to give the backing of moral courage to his beliefs. The Navy has reason to be grateful for the contributions he made, and his loss will be keenly felt.

As one who knew and admired both the man and his works, I offer my deepest sympathy.

Most sincerely,

ROBT. B. CARNEY,  
Admiral, USN, retired.

DEPARTMENT OF THE NAVY,  
OFFICE OF THE SECRETARY,  
Washington, July 15, 1958.

Mrs. JAMES H. FLATLEY,

Chevy Chase, Md.

MY DEAR MRS. FLATLEY: The following message from Mr. Gates sent by him from Bonn,

Germany, on July 11 has just been received with a request that it be passed to you.

"The Navy has lost one of its finest men and I have lost a respected and longtime friend. The entire Navy shares this loss and sends deepest sympathy to you and yours. With sincere sorrow.

"TOM GATES."

Very respectfully,

L. L. MEIER, JR.,  
Commander, USN,  
Administrative Aide to the Secretary  
of the Navy.

KANSAS CITY, MO.

Mrs. JAMES H. FLATLEY,  
Chevy Chase, Md.:

Our deepest sympathy to you in the passing of your distinguished husband. His death is a distinct loss to the Nation as well as to the service to which he devoted his life so effectively. Admiral Flatley was a loyal friend of the Veterans of Foreign Wars.

RICHARD L. ROUDERBUSH,  
Commander in Chief.

WASHINGTON, D. C.

Mrs. JAMES H. FLATLEY, Jr.,  
Chevy Chase, Md.:

The national officers and directors of the Navy League of the United States extend to you their deepest sympathy in your great personal loss. We will all remember you in our thoughts and prayers.

EVELYN M. COLLINS,  
Secretary, Navy League.

WASHINGTON, D. C., July 9.

Mrs. JAMES H. FLATLEY,  
Chevy Chase, Md.:

It was with deep regret I learned of your tragic loss which is shared by the entire Navy. Admiral Flatley was one of the best-loved officers in the Navy as well as one of the most able. Please accept my deepest personal condolences for yourself and your children.

WILLIAM B. FRANKS,  
Acting Secretary of the Navy.

CORPUS CHRISTI, TEX.

Mrs. JAMES FLATLEY,  
Chevy Chase, Md.:

I grieve with you and your family at the loss of your husband. No one whom I had ever met did I admire more than Admiral Flatley. Rest assured that I shall not forget him in my prayers, and shall ask God to give you and your bereaved children the strength to carry your cross. Bishop Marx joins me in the expression of sympathy.

M. S. GARRIGA,  
Bishop of Corpus Christi.

NAVY LEAGUE OF THE UNITED STATES,  
KANSAS CITY, MO., COUNCIL,  
Kansas City, Mo., July 23, 1958.

Mrs. JAMES H. FLATLEY,  
Chevy Chase, Md.

DEAR DOTTIE: All of us Navy-minded people in the Kansas City area were deeply grieved at the passing of your husband and, upon motion of Mr. Bernie Hoffman which was seconded by Mr. Frank Hughes and unanimously carried, the Kansas City Council of the Navy League passed a resolution expressing formal regrets and sympathy to you and the children during the trying days through which you have recently passed. Although you of course are carrying a burden of grief, there is at least the consolation that you are not alone since you still have your four fine sons; also, there should be some consolation in knowing that Jimmy, as all of us so affectionately called him, left his mark on the Kansas City area and will be missed over the coming years by a host of friends.

Our mutual friends, Messrs. Frank Tallman and Harold Reno, who were able to

go to Washington at the time, told us that the ceremonies both at the church and at Arlington were quite impressive and this too perhaps will be of some additional comfort to you and the children as the years go by.

All of the Navy League and other Navy-minded people in this area join me in sending an expression of sincere sympathy.

Sincerely yours,

A. ERNEST MACGEE.

PHILADELPHIA, PA., July 14, 1958.

DEAR MRS. FLATLEY: I am typing this only because my own hand is so illegible.

Although you have probably never heard of me, I am one of those countless hundreds of Jimmy's friends that admired him during the war for his great bravery and at the same time loved him personally for his quiet humor, his steadfast qualities as a friend and his limitless interest in human beings generally.

Jimmy and I were together on the *Enterprise*—before that I remember making a journey over to Maui to talk with him. I, as a low subordinate officer, trying to bluff my way as an ignorant reserve intelligence officer and Jim as a brilliant flyer, established leader and general all-around top-notch guy. That the interview came off at all was a tribute to Jimmy. He wanted to know right away what we could do for his squadron; whether we had, or could get, information that would help his boys do a job on the Japs, whether we were up on enemy tactics and enemy lineup. We told what we knew, which was pitifully little, and he appeared to be glad that we had come. This kind of approach was so unusual that we realized we were meeting someone almost unique. Everything that followed over the long months at sea and on shore on those god-forsaken islands, Espiritu Santo etc., etc., only verified what we had learned at the start; that Jimmy Flatley was a giant among men.

As the war beat its way along, I had the good fortune to get to know Jimmy better. We laughed together over troubles, over people, over our elders and presumably better; we drank together and gossiped together. All during those dreary months, which were filled with danger and anxiety for him, I never saw him angry, out-of-sorts or guilty of bad judgment. He stood out from among his associates and shipmates like a diamond in a handful of glass. I was lucky to have had him for a friend. On the wall of my little study at home is a picture of Jim getting his third or perhaps fourth Navy Cross on the deck of the *Enterprise*. He looks happy but, as always, somewhat puzzled as to what all the fanfare is about. What a man he was \* \* \* as someone said of another great man "We shall not see his like again."

My respects and my deepest sympathies to you. If I ever can in any small measure repay my debt for Jim's friendship to you, you have only to lift your finger.

Sincerely,

HAMPTON BARNES.

UNITED STATES ATOMIC  
ENERGY COMMISSION,  
Washington, D. C., July 18, 1958.

Mrs. JAMES H. FLATLEY,  
Chevy Chase, Md.

DEAR MRS. FLATLEY: The Commission extends its deepest sympathy to you and your family on the untimely death of your husband, Vice Adm. James Henry Flatley, United States Navy (retired). We share with you the loss of one whose distinguished service in combat and personal contribution to the nuclear defenses of the Nation will not be forgotten.

Sincerely yours,

Acting Chairman.

FUNERAL SERMON, VICE ADM. JAMES H. FLATLEY, UNITED STATES NAVY, RETIRED, GIVEN BY VICE ADM. MAURICE S. SHEEHY, UNITED STATES NAVAL RESERVE, RETIRED, JULY 11, 1958

"Have courage, I have overcome the world." (John 16: 33.)

Death is always the servant of God, most men tremble at the thought that some day a bit of sod may forever cover their earthy honors. Today we pay our tribute of love and respect to one who had no such fear. From boyhood his noble parents had taught him that this life was but a prelude to another. Death has no sting for one who loves God. Time and again Admiral Flatley heard these words, "Greater love than this hath no man than that he give his life for his friend."

To me it is strange that Admiral Flatley lived to the age of 52. He was always volunteering for dangerous assignments. He received at least five combat decorations. In his letter accepting his request for retirement, Secretary of the Navy Gates said:

"Since receiving your Navy wings in 1931, you have witnessed and played an active hand in the phenomenal evolution in naval aeronautics over the past quarter century. Not only have you demonstrated skill, daring, and devotion in duty as an active flier in peace and in war, but have rendered invaluable service in development of various aviation programs such as aircraft attack doctrines and squadron training. Your record attests your meritorious reputation of professional training and administrative ability in the field of naval aviation. \* \* \* Your initiative and valiant and zealous devotion have always been in keeping with the highest traditions of the United States naval service. May it ever be for you a source of great pride to look back upon a job well done."

The shoulders of Admiral Flatley and his stout heart were shaped by divine providence to share the burdens of our difficult times.

It was my privilege to have Admiral Flatley as a shipmate before I realized the full significance of that term. We first met when he was station secretary to the new naval air station at Jacksonville, Fla. He was my guide, counselor, and friend. He did not hesitate when he thought I, on my first tour of naval duty, had made a mistake.

Others competent to do so will evaluate the services of Admiral Flatley as a naval officer. His record as a squadron commander, as operations officer for Adm. Marc Mitscher, as commanding officer of two large naval air stations, as commanding officer of the *Block Island* and the *Lake Champlain*, insured his selection for flag rank. One of his seniors told me, "Admiral Flatley was the most brilliant officer with whom I have ever served; and the most industrious."

As one who has dealt with men for 36 years in a priestly capacity, I feel I am competent to evaluate a man. There were three great loves which lifted Admiral Flatley above the crowd. The first was his complete and unselfish devotion to his family, to his mother who shared his sufferings in recent months, to his father, and, above all, to his wife and children. They were always the first condition of his thinking. He was rightly proud of them. God rewarded his devotion by the blessing of a happy home.

Secondly, he loved his country and the Navy with a passionate devotion. I do not think he distinguished between the two because to him the Navy was the tool by which our precious national heritage would be protected. Back in 1941, he often spoke to me about the indifference of millions when war clouds were hovering over our land. Together we worked out a message which I was to give to the incoming classes of aviation cadets. "Put fire in their souls, Father," he urged me, "because many of these young men will give their lives for their country and they must know for what they are dying." He was intolerant of slipshod training in



those days just as he was intolerant later of ill-conceived and imprudent plans for national defense which might weaken the Navy's traditional role. And he never hesitated to express himself. Perhaps his forthrightness may have made some enemies because he never placed his career above devotion to his country.

Admiral Flatley's courage was based upon his faith. He knew he was on the winning team because he had heard the words, "Have courage, I have overcome the world." He also knew the price good men must pay for victory. He never shirked doing more than his share. History is the record of a continuous struggle between the Kingdom of God and the forces of evil. No one ever questioned how Jim Flatley stood on nazism or communism. He also took a fatherly interest in the men aboard his ships, shielding them from temptations that surround youth in the service.

Last January it became evident that Admiral Flatley would spend his last days in the shadow of a cross. He did not shirk his duty. In March, I invited him to accompany me to the famous Lourdes Shrine to pay his homage of love and respect to the Mother of Christ. Lourdes is famous for its miracles but more famous still because it prepares men to bear up under their sufferings and to march unafraid into the valley of death. Coming home, Jim told me, "We put our case before the supreme court of prayer. I am willing to die now if it is God's will." He served my mass as Lourdes as he had done many times before. But he also told me, "There are so many things I want to do, I hope God spares me a little longer." I do not know what those things were but I do know that in the closing hours of his life he gave an example of courage which will survive his last written reports to the Navy Department. St. Paul tells us, "God dealeth with you as with His sons \* \* \* if you be without chastisement, then you are not His sons."

The last trip of Admiral Flatley was a very short trip indeed into the arms of Him who said, "I myself am thy reward, exceeding great." It is fitting that his mortal remains rest in Arlington among those to whom security of life was not an obsession, those heroes who despised weakness and waywardness.

Often as a Navy chaplain, I was asked, "How can a man in the Navy be a saint?" The answer obviously is in the great commandment of love. Placed under oath to list those of my spiritual charges who, I am sure, are now with God, I would have to list many seamen, cadets, junior officers who gave their all to their country. And as a final example, I would point to my shipmate and friend, Vice Adm. James Flatley, confident that God would back up my judgment.

To his mother, his wife and family, his sisters and brothers we extend our heartfelt sympathy. May I remind them of the words put in the mouth of our Saviour by the poet Francis Thompson:

"All that I took from thee I did but take  
Not for thy harms.  
But that thou mightest find it  
In my arms."

It has been my sincere pleasure to have had the opportunity to become more closely associated with you and your performance of duty during your recent assignment in the Office of the Chief of Naval Operations, first with the Strategic Plans Division, and lately as Director of the Air Warfare Division.

Your inspiring leadership and ability have made thousands and thousands of people keenly aware of the importance of our Navy and of the individuals who serve in it. Wherever you served ashore, you performed most highly commendable duties in promoting better relations between the Navy and

the community. The professional skill and efficiency with which you have responded to requests for cooperation of the Navy in civic affairs, and to public disaster emergencies, has been recorded in numerous personal letters and newspaper editorials, copies of which have been made a part of your official record. The many letters of commendation and appreciation from both Navy and high civic officials further testify to your outstanding performance of duty in many fields of activity.

Your educational program, to which you gave of your time and effort unselfishly and untiringly far beyond any duty requirement, has trained untold thousands of persons not only to be better Navy men but to be better citizens when returning to civilian life. An editorial lauding your achievement in this endeavor is inserted in the CONGRESSIONAL RECORD.

Your initiative and zealous and valiant devotion have always been in keeping with the highest traditions of the United States naval service. May it ever be for you a source of great pride to look back upon a job well done.

I know that your contributions to the development and expansion of our Armed Forces into the world's mightiest, and, more particularly, your participation in the growth of naval airpower from some of its earliest experimental stages into the position of prominence and respect it commands today will continue to be great credit to you in the years to come.

GATES.

While serving as Operations Officer on the Staff, Commander First Carrier Task Force, Pacific, you were awarded the Legion of Merit with Combat "V" for exceptionally meritorious conduct from December 6, 1944, with Combat "V" for outstanding services from September through October 1944. Serving with distinction during this period of intensive wartime activity, you planned and conducted air operations in support of amphibious landings for the conquest of Iwo Jima and Okinawa, strikes against Tokyo, the Kure Naval Base and Kyushu, support missions in the vicinity of our landings and an air attack on major units of the enemy fleet. I also note that the Commander Fifth Fleet, United States Pacific Fleet, commended you for distinguished service on May 14, 1945, when U. S. S. *Bunker Hill* in which you were embarked was hit by two enemy suicide bombers.

You were awarded the Distinguished Flying Cross for heroism and extraordinary achievement as Commander of Fighting Squadron 10 attached to U. S. S. *Enterprise* while engaged with enemy naval forces in the Solomon Islands area from November 13-15, 1942. In the face of heavy anti-aircraft fire and enemy fighter opposition you repeatedly led your squadron against enemy surface and air forces. You received Gold Stars in lieu of the second and third Distinguished Flying Cross for heroism and extraordinary achievement in aerial flight as commander of Air Group 5, attached to U. S. S. *Yorktown*, in action against enemy forces on Marcus Island on August 31, 1943, and as a pilot of a fighter plane in Fighting Squadron 10, attached to U. S. S. *Enterprise*, during action against enemy forces in the Solomon Islands area on January 30, 1943.

I also note with pleasure and admiration your performance of duty as liaison officer on the staff of commander in chief, United States Pacific Fleet; as director of training on the staff of Naval Air Basic Training Command, Corpus Christi, Tex.; and as assistant chief of staff for commander of the Air Force, Atlantic Fleet. In your many and varied duties as commanding officer, Naval Air Station, Olathe, Kans.; commanding officer of U. S. S. *Block Island*; commanding officer of U. S. S. *Lake Champlain*; and as officer-in-charge, Naval Aviation Safety

Activity, Naval Air Station, Norfolk, Va., you set standards of performance that will be difficult to emulate.

THE SECRETARY OF THE NAVY,  
Washington, June 26, 1958.

MY DEAR JIMMY: It is with deepest personal regret that I learn of your transfer to the Navy's temporary disability list. You have my sincere assurance that the termination of your active naval career will be a distinct loss to the Navy and to the Government of the United States.

A lot of water has gone under the keel since the war in the Pacific when we first became acquainted while serving in Marc Mitscher's fast carrier task forces. Never then did I dream that a dozen or so years later I should have the privilege, as Secretary of the Navy, to commend you for your exceptionally distinguished service to our country.

Since receiving your Navy wings in 1931, you have witnessed and played an active hand in the phenomenal evolution in the naval aeronautic organization over the past quarter century. Not only have you demonstrated skill, daring and devotion to duty as an active flier in peace and war, but you have rendered invaluable service in the development of various aviation programs such as aircraft attack doctrines and squadron training. Your record attests your meritorious reputation for professional knowledge and administrative ability in the field of naval aviation.

I note with pleasure that the President of the United States awarded you the Navy Cross for extraordinary heroism and conspicuous courage as pilot of an airplane of Fighting Squadron 42, attached to U. S. S. *Yorktown*, in action against enemy forces in the Battle of Coral Sea on May 7 and 8, 1942. As leader of the fighter escort attacking an enemy carrier, you fearlessly engaged enemy fighters and destroyed and assisted in their destruction with no loss to your escort group.

THE SECRETARY OF THE NAVY,  
Rome, Italy, July 7, 1958.

Vice Adm. JAMES FLATLEY,  
United States Navy (retired),  
Bethesda Naval Medical Center,  
Bethesda, Md.

DEAR JIMMY: I have just returned from a visit to the Sixth Fleet, and I am sure that is the most important thing I have done for a long time. I thought it was in excellent shape in every way. The successful and routine air operations of *Saratoga* were especially gratifying. She handled A3D's, F3J's, A4D's and F8U's with non-chalant ease, and I have no fears for the successful operation of modern aircraft of any required performance level.

It made me think again how much the development of the modern Navy and naval aviation owes to you and a handful of others.

The leadership that resulted in your two Battle E's, the foresight and hard work that resulted in the exemplary support provided by the Norfolk Naval Air Station, and the outstanding contribution made by the Naval Aviation Safety Activity under you, all found expression in the kind of operations I saw. The Sixth and Seventh Fleets are great bulwarks of all civilized values in the world today.

And I saw something else even more important and even closer to your heart. The spirit is good. You could see it in the ready rooms and in the faces of the bluejackets. A very great deal remains to be done, but I am sure that the ideas of leadership that you expressed so well and that you exemplified throughout your career are bearing fruit.

Personal interest and example—personal responsibility to ideals that stand above self-interest—courage to dare and fortitude to endure—these are the qualities I have always associated with you, and the qualities

that our Navy needs and somehow has always found in men like yourself

Very respectfully and affectionately,  
TOM GATES.

#### PROSECUTIONS FOR VIOLATIONS OF HOUSING LAWS

Mr. CAPEHART. Mr. President, the Honorable William P. Rogers, Attorney General of the United States, recently made public some very significant statistics with reference to the prosecutions for violations of the housing laws following the Senate Committee on Banking and Currency investigation of the Federal Housing Administration in 1954. At the time of the investigation by the Senate Committee, of which I was chairman, I referred to the FHA scandals as a billion-dollar fraud. I am now convinced that was an understatement.

The record of criminal convictions, following the committee's investigation, is so impressive that I felt it would be a matter of great interest to Senators and to the public generally, and it is for that reason that I now wish to call the Senate's attention to the more than 800 criminal convictions which the Attorney General has announced in these FHA frauds.

Our committee's 1954 report pointed out that the cases involving the greatest amounts of money—the five-, ten-, and twenty-million dollar cases—occurred prior to 1950, and that the criminal statute of limitations was only 3 years. We can only speculate about the convictions which would have followed if these matters had been prosecuted in 1950 or 1951.

Mr. President, it will be recalled that during our inquiry into the FHA scandal the Senate committee conducted 43 days of public hearings in a 4-month period, beginning June 28, 1954, and ending October 8, 1954, in Washington, New York, Los Angeles, New Orleans, Chicago, Indianapolis, and Detroit. Then we turned over to the Department of Justice data we had collected. During that 4-month period the committee heard 372 witnesses in public hearings and recorded 7,754 pages of testimony. Nine witnesses before the committee took the fifth amendment.

All witnesses appearing before the committee at public hearings, other than Government witnesses, previously had testified in executive session. The committee followed this procedure on the theory that it was unfair to subject to the publicity which always attends such hearings those persons whose testimony would not develop any evidence pertinent to the objectives of the inquiry.

The testimony of the 671 witnesses who were heard in executive session represented 18,044 typewritten pages. From these executive hearings, the committee called to the public hearings every witness whose testimony could contribute to a fuller knowledge and understanding of the practices in vogue.

Of course, Mr. President, all the testimony was made available to the Department of Justice, which has pursued the

matter since that time with these results:

More than 800 persons and firms have been convicted for criminal fraud in housing cases.

To date, civil cases instituted by the Department have resulted in settlements consummated and judgment entered providing for the return to the Government of approximately \$7¼ million. This sum has been applied toward the reduction of existing FHA-insured mortgages or establishing funds controlled by the Federal Housing Administration as additional security for the payment of FHA-insured mortgages.

Twenty-five cases still are pending in various stages of development seeking the return of an additional \$11,300,000.

It is a matter of considerable pride to me, and I am sure to the faithful committee members who served with me, that the investigation was conducted without criticism of the committee's methods.

Mr. President, I ask that there be printed in the RECORD at the conclusion of my remarks the copy of a press release issued by the Department of Justice setting forth the record of the Department in this regard, and a copy of an article published by the Indianapolis News.

There being no objection, the press release and article were ordered to be printed in the RECORD, as follows:

[From Department of Justice Press Release]

Attorney General William P. Rogers announced today that since 1954 approximately 800 persons and firms have been sentenced for criminal fraud in housing cases. Mr. Rogers said that the intensified prosecution of these housing frauds, which seriously jeopardized the financial interest of the Government and thousands of homeowners, began in April 1954 when the FBI assumed the investigative jurisdiction of criminal violations under the National Housing Act.

The great number of these offenses occurred in the Federal Housing Administration title I home modernization program where unscrupulous modernization dealers and fast-talking salesmen, known in the trade as "suede shoe boys," ruthlessly victimized small-home owners.

In Detroit, for example, 101 convictions were obtained in home-modernization frauds. Most of these convictions resulted from a citywide investigation by the FBI arising from a single complaint. Evidence of a list of confidence men was developed after examining the record of a number of banks, the loan departments in many hundreds of loans and after interviewing scores of homeowners.

One of the principal perpetrators of this concentrated fraud, Jack Chisk, who appeared before the Senate Banking and Currency Committee during the hearings on housing in 1954-55, was sentenced to 4 years' imprisonment and a committed (commuted?) fine of \$10,000.

The Civil Division of the Department of Justice has instituted actions in the courts throughout the country seeking to recover millions of dollars of excessive mortgage proceeds distributed to stockholders of corporations organized under the Federal Housing Administration title VI program which was designed to provide housing for World War II defense workers and returning veterans. To date, settlements have been consummated and judgments entered providing for the return to the Government of approximately \$7½ million, which sum has been applied at reducing existing FHA-insured

mortgages or establishing funds controlled by the Federal Housing Administration as additional security for the payment of FHA-insured mortgages.

Twenty-five cases are still pending in various stages of development seeking the return of an additional \$11,300,000.

[From the Indianapolis News]

#### EIGHT HUNDRED GUILTY IN HOUSING FRAUD CASES

WASHINGTON—The Justice Department is about to close the books on the housing fraud investigations conducted 4 years ago by Senator HOMER E. CAPEHART, Republican, of Indiana.

Attorney General William P. Rogers said today only 25 cases that grew out of the Capehart investigation still are pending in Federal courts. These cases seek the return of nearly \$11,500,000 to the Federal Treasury.

In summarizing Justice Department action in the last 4 years on the housing frauds, Rogers said approximately 800 persons and firms were found guilty of criminal acts.

At the suggestion of Senator CAPEHART, then chairman of the Senate Banking and Currency Committee, the FBI took over the investigative jurisdiction of criminal violations in April 1954.

The majority of offenses occurred in the Federal Housing Administration's "home improvement" program. Unscrupulous dealers and fast-talking salesmen, who were tagged as "suede shoe boys," victimized small-home owners.

Rogers noted that in Detroit, for example, 101 convictions were obtained in the home modernization frauds.

To date, nearly \$7,500,000 has been returned to the Federal Government by persons and firms found guilty of housing fraud.

#### EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

The VICE PRESIDENT. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

#### UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

The Chief Clerk read the nomination of I. Jack Martin, of Maryland, to be an associate judge of the United States Court of Customs and Patent Appeals.

Mr. JOHNSON of Texas. Mr. President, I am pleased to see that the President has nominated Jack Martin to this very important judicial post. For many years he served the Senate, and was an assistant to the late majority leader of the Senate, Robert A. Taft. During that period I had many contacts with Mr. Martin. He is a very able lawyer, a person of judicious temperament, patriotic, and, I think, a great American. I am pleased to participate in confirming his nomination today as a member of this high court.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### BOARD OF PAROLE

The Chief Clerk read the nomination of George J. Reed, of Minnesota, to be a



member of the Board of Parole for the term expiring September 30, 1964.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### UNITED STATES ATTORNEY

The Chief Clerk read the nomination of Robert H. Schnacke, of California, to be United States attorney for the northern district of California.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### UNITED STATES MARSHAL

The Chief Clerk read the nomination of Edward John Petitbon, of Louisiana, to be United States marshal for the eastern district of Louisiana for the term of 4 years.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### APPOINTMENTS IN THE NAVY

The Chief Clerk proceeded to read sundry nominations for appointments in the Navy.

Mr. JOHNSON of Texas. Mr. President, I ask that those nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc, and, without objection, they are confirmed.

#### TEMPORARY APPOINTMENT IN THE NAVY

The Chief Clerk proceeded to read sundry nominations for temporary appointment in the Navy.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc, and, without objection, they are confirmed.

#### POSTMASTERS

The Chief Clerk proceeded to read sundry nominations for postmasters.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc, and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be notified forthwith of the nominations today confirmed.

The VICE PRESIDENT. Without objection, the President will be so notified.

#### LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

#### NEED FOR APPROVAL OF EURATOM BILL

Mr. JAVITS. Mr. President, I should like to say a word this morning about the bill with respect to Euratom, which is the agency organized by six European countries to produce power from the atom in a cooperative way.

One of the interesting byproducts of the current Mid-East crisis is the urgent need for Congressional action approving United States participation in Euratom—the European Atomic Energy Community. This group of six European nations is working together to rush the development of nuclear power to feed the industries of Western Europe, today so heavily dependent on oil imports from the trouble-torn Mid-East. Unless Congress backs up President Eisenhower's earlier pledge to supply the necessary fissionable material to the Euratom countries, which have already forged ahead in securing the private financing for purchase of the nuclear reactors, their entire timetable will suffer a severe setback at the very moment when it becomes increasingly imperative that the development of nuclear power for industrial uses be speeded up.

The original atoms for peace proposal put forth by President Eisenhower at the United Nations captured the imagination of the entire world. Its practical adaptation now to the industrial needs of Western Europe is the first full-scale pioneer development program which in turn will capture the attention of countries on both sides of the Iron Curtain. Even with prompt Congressional approval of United States participation right now, it will take Euratom nearly 10 years to reach its first goal of 15 million kilowatts of energy by 1967, about 25 percent of its thermal power requirements then. But the pioneer work in Euratom will provide invaluable lessons to United States scientists who envision a more long-range development of nuclear power in our own country since our requirements for new power sources are not as great as those of Europe.

The Euratom nations cannot afford to wait. So I urge very much that this bill be taken up at this session of Congress and before we go home. The Mid-East crisis points up once again that our allies in Western Europe are constantly exposed to the danger of a cutting of the jugular vein through which flows the Mid-East oil which feeds free Europe's industries. A dislocation of this supply, as we saw at the time of Suez, places a strain on Western Hemisphere and other oil supplies almost impossible to bear for any greatly sustained period. Free Europe must be freed from this mortal threat as soon as possible, and Euratom is the big factor in doing it. Euratom is well-nigh indispensable to Free World security and to Free World prosperity. I am keenly aware of this need, as I have the honor of serving as international rapporteur for the NATO Parliamentarians, as well as United States rapporteur, in the effort to get more help for the undeveloped areas. Surely the economic im-

portance of Euratom will be tremendous in certain of the European NATO economies.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an editorial entitled "Politics of Euratom," from the Washington Post and Times Herald of August 4, 1958, which shows that we must not let domestic political issues delay Euratom authorization in the present Congress.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### POLITICS OF EURATOM

The play of politics involving the European Atomic Energy Community is at once complex and subtle, yet the essential principle at stake could not be clearer. Basically, the question now before the Joint Atomic Energy Committee is whether this country by inaction will smother in birth a venture of enormous promise to the entire Free World. This is precisely what may happen if Congress fails to act promptly on legislation which permits United States participation in the joint development of atomic energy for power.

Only after prolonged cajoling were the six European partners persuaded to work together on atomic power development, rather than to spend enormous quantities of money on separate national programs that inevitably would duplicate each other. The European participants are set to begin; private capital has been pledged to purchase the initial reactors; a timetable has been worked out calling for the production of 15 million kilowatts of energy by 1967. All that is needed is a Congressional seal of approval for American participation that stands to benefit this country as much, in terms of techniques, as the Europeans.

Yet domestic political issues threaten to delay the Euratom authorization in Congress. By today, President Eisenhower must accept or veto legislation providing for a large-scale nuclear power program in this country. This bill has been vehemently opposed by Lewis Strauss, former Atomic Energy Commission chairman and now Presidential adviser on Atoms for Peace. If the President were either to reject the bill or refuse to spend the appropriated money, it is said that the Joint Committee on Atomic Energy might retaliate—foolishly, in our opinion—by shelving the administration-backed Euratom legislation. But the first move is the President's, and it would be lamentable if in one blow he managed to blight hopes for both the domestic and European power development programs.

On the other hand, it would reflect credit on the Joint Committee on Atomic Energy if—whatever the President may do in respect of the domestic legislation—it refused to slay Euratom in pique. Members of the Joint Committee have raised thoughtful objections about details in Euratom's financing, administration, and use of only proven reactors. None of these objections, however, strikes at the validity of the larger structure. Wouldn't it be possible, for example, to approve the basic treaty legislation while giving conditional approval to implementing measures? Right now, Euratom is a paper structure; when it is a living organism, vital details of finance and administration can properly be reviewed by the Joint Committee.

Plainly, there is need for prompt action. If nothing is done before adjournment, the restive French may go it alone under a nationalist banner. The failure of Euratom would dampen hopes for lessening Europe's vulnerable dependence on Near East oil. A jumble of separate and duplicating national

programs would immeasurably set back not only European but American nuclear programs—since one central purpose of Euratom is to provide a testing ground for power development techniques. For all these reasons, it seems unthinkable that the Joint Committee would leave Euratom in limbo.

Mr. JAVITS. Mr. President, I also ask unanimous consent to have printed in the RECORD an editorial from today's issue of the New York Herald Tribune entitled "Needed, Pronto: Action on Euratom." To this I say "Amen," and I call strongly to the attention of the leadership of this body the urgent need for such action in our national interest.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### NEEDED, PRONTO: ACTION ON EURATOM

Seldom has anything so fired the imagination of Europe as the prospect of peaceful power from the atom. It rose immediately to President Eisenhower's leadership in this field by forming the six-nation Euratom agency, to pool all nuclear-power development.

Euratom has set up its headquarters in Brussels. Private capital has provided the funds to buy the necessary atomic reactors. Euratom is all set to go. France, particularly—the European nation most advanced in nuclear techniques—is placing enormous importance on the rapid development of nuclear energy. Only one thing is missing—and that is for Congress to make good on the President's promise to provide the fissionable material and the nuclear know-how.

This will require approval by the House and Senate Joint Committee on Atomic Energy, headed by Senator CLINTON ANDERSON, Democrat, of New Mexico, for an amendment to the 1946 McMahon Act. The President requested this in July. But the committee still has not acted. This is all the more mysterious because there is hardly any opposition whatever to Euratom, save for a few coal lobbyists who fear it might decrease exports of United States coal. In fact, Euratom would provide a large new export market for United States industries making nuclear reactors. If we waver on the President's promise, we will not only tarnish our dependability in European eyes, but also force the Europeans to launch the alternative—which they can ill afford—of going it alone on national programs of atomic power.

Senator JOHN PASTORE, of Rhode Island, has shown great understanding and support of Euratom. We urge him and the other friends of Euratom in the Joint Committee to spur this action which is already long overdue.

#### MATTHEW M. NEELY

Mr. JAVITS. Mr. President, I wish to join the others of my colleagues who yesterday memorialized the passing of Senator Matthew M. Neely. It is with a feeling of deep sorrow that I pay tribute to him, not only as a great statesman, but also in wholehearted acknowledgement of his constant devotion to the cause of his constituency and his country, and especially of his work as chairman of the Committee on the District of Columbia, upon which I had the honor to serve.

Matthew Neely's rise to prominence followed the classical American pattern—he was born in a log cabin in West Virginia, taught school for \$35 a month, and worked his way through college.

From this he rose through service in the House of Representatives and the Senate and as Governor of his State to become one of the most beloved political figures in West Virginia.

I was privileged to be associated with Matthew Neely for only a short time. I was always impressed with his strength, his vigor, his ability, and his devotion to high moral purpose. His profound knowledge and appreciation of the Scriptures and poetry have been an inspiration to his colleagues.

When I became a Member of the Senate in 1957, I was assigned to the Committee on the District of Columbia, of which Matt Neely was then chairman; I came to have a great respect for his capabilities and diligence. He was often referred to as "the unofficial mayor of the District of Columbia" due to his distinguished service on the District Committee, of which he was chairman during the 81st, 82d, 84th, and 85th Congresses and of which he was a member during the 69th, 70th, and 83d Congresses. His death was not only a loss to the State of West Virginia and the Nation, but to the voteless residents of the District of Columbia as well. District residents will long remember him with a feeling of gratitude for the many services he unselfishly rendered them both as chairman and as a member of this committee.

His colleagues and his countrymen mourn his loss. His was a fruitful and meaningful life, and his achievements and contributions will truly serve to preserve his memory.

The VICE PRESIDENT. Is there further morning business?

Mr. BIBLE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Without objection, it is so ordered.

The Chair advises Senators that the morning business has not been concluded. Does any Member wish recognition in the morning hour?

#### TAX RELIEF FOR SMALL BUSINESS

Mr. THYE. Mr. President, it is my hope that the Committee on Finance will be able to conclude its consideration of proposals for tax relief for small business at an early date. We are nearing the end of this session of the Congress, and it would be regrettable if we were to adjourn without having enacted much-needed small business tax legislation.

I ask unanimous consent, Mr. President, that a news release issued yesterday by Mr. George Burger, vice president of the National Federation of Business, be printed in the RECORD at this point in my remarks.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

George J. Burger, vice president, National Federation of Independent Business, today

called on all members of the Senate Finance Committee, in identical wire messages, for immediate action on H. R. 13382-H. R. 13383, tax relief for small business. He said: "Scuttle them and due to the time element, small-business men may wind up with no relief at all."

The full text of Mr. Burger's message is as follows:

"Utmost importance all possible speed be used to enact H. R. 13382-H. R. 13383, the small business tax relief bills, into law. Discussion over minor points should be set aside. These bills and the fact they have been passed by the House have been widely publicized in every Congressional District. Small-business men in every part of the country are looking for quick action by members of Senate Finance Committee to send them to the floor for vote.

"Certainly all interested parties realize these bills do not secure all necessary relief for small business, but they know the bills are a step in the right direction. Some groups want more than these bills give, but the fact is that a large majority of their members would want at least what is in H. R. 13382-H. R. 13383.

"We know what we are talking about. Our nationwide membership, which is the largest of any organization in the Nation and which is composed of independent business and professional people in all vocations of enterprise, has by direct, signed ballots sent directly to their Congressmen, overwhelmingly approved practically all major parts of these bills.

"Let's not forget that time is coming close for adjournment of Congress. These bills, H. R. 13382-H. R. 13383 are already a long way through the machinery of Congress. To the best of our knowledge they are acceptable to the administration. Scuttle them and due to the time element, small-business men may wind up with no relief at all. Pass these bills first, and then discuss and act on expansions of tax relief. But get H. R. 13382-13383 through and into law so that small business can have this immediate relief.

#### JULIAN B. BAIRD, UNDER SECRETARY OF THE TREASURY FOR MONETARY AFFAIRS

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very interesting article which was published in the Minneapolis Sunday Tribune of July 27, 1958. I make this request because the article refers to the Under Secretary of the Treasury for Monetary Affairs, Julian B. Baird, of St. Paul, Minn.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### ST. PAUL BANKER MANAGES WORLD'S LARGEST DEBT

(By Edwin L. Dale, Jr.)

WASHINGTON.—Few people have had such a baptism by fire in public life as Julian Braden Baird, the St. Paul banker who took over as Under Secretary of the Treasury on September 30, 1957.

Handling the management of the \$276 billion public debt—the province of Baird and his predecessor, W. Randolph Burgess—is a big enough task in any event. But Julian Baird has had enough troubles to test the patience of a Job.

As he took office, recession clouds were gathering although few people in Washington were yet certain that a big decline had actually begun. Turbulence in the money markets—all on the upside for a while—began in November.

And then in the last month, Mr. Baird has been faced with one of the most panicky



markets for Government bonds in recent years, brought about by causes largely beyond his control.

Julian Baird at 66 takes it all philosophically. He is not easily rattled and he preserves an air of relaxed amiability during the times of toughest decision.

"He keeps his sense of humor," says an associate. Says Baird with a grin, "I never worked so hard in my life."

He has been a strong right hand of Secretary of the Treasury Robert B. Anderson in the latter's opposition to "massive" Government intervention in the economy to halt the recession—a position that now seems reasonably likely to be vindicated by history.

Baird also has had the courage to insist upon floating several long-term bonds during the recession, despite the orthodox theory that called for concentration on short-term issues in such periods.

The last flotation does not look particularly good now, in hindsight, the new bonds having fallen well below par. But few people—least of all the banking and investment advisers who conferred with Baird before the decision was made—could have foreseen such an outcome.

Baird, licking his wounds, accepted the inevitable this week and limited his latest financing to a short-term issue. But future debt managers and, in particular, Federal Reserve authorities, may yet be grateful for the experimental longer-term issues that he floated earlier. A stretching-out of the maturity schedule of the debt is considered by most authorities essential to lay the proper groundwork for the control of future inflation.

Banking has been Julian Baird's career since the day he left college in 1915. Born in St. Paul, he had gone to the University of Minnesota and then to the Yale University's Sheffield Scientific School. After 2 years with the National City Bank in New York he entered the Army in the last year of World War I.

After the war, Baird returned to St. Paul. Following 2 years with the National City Co. there he joined the bank that became his career—the First National of St. Paul. When he was tapped by President Eisenhower for the debt manager's job he had been chairman of the board 4 years, although he was about to retire.

Baird said the other day he had found his Washington experience exhilarating. The hard knocks of the last month, when the bottom seemed likely to fall out of the market for his new issues, he accepts with the comment, "that's life."

Despite the fascination he finds in what is one of the most difficult jobs in the Government, Baird says he is "too old to get Potomac fever"—the disease that frequently afflicts citizens of all kinds who acquire the taste for power that only Government can give.

He expects to be in retirement when he leaves Washington, limiting his role at his bank in St. Paul to an advisory one. But he will not lack for things to do.

He is a cabinetmaker, working in a fully equipped shop in his home outside St. Paul. He plays the chord organ—which, incidentally, he brought with him to Washington as a good device for relaxation in the evening. He hunts and fishes.

And he also enjoys his eight grandchildren. Baird was married in 1916 to the former Helen Hall and they have 3 adult children, 2 sons and a daughter. Also, Baird was extremely active in civic affairs in St. Paul and presumably, will pick them up again upon his return.

In the Treasury Julian Baird differs scarcely at all in basic outlook from his well-known predecessor. He is conservative on money matters, is thoroughly convinced of the necessity for lengthening the debt and backs the use of monetary restraint by the Federal Reserve System in times of inflationary pressure.

He does not devote the same attention as Burgess to the international side of the Treasury's operations. Burgess fell into that activity naturally, having spent many years in New York banking in close touch with international matters.

The debt management job, of course, is enough to occupy the full attention of anyone. For Baird the experience has not been an easy one, but the Government is still paying its bills.

The PRESIDING OFFICER. Is there further morning business?

Mr. FLANDERS. Mr. President, I ask unanimous consent to address the Senate for not to exceed 12 minutes, on the subject of resolving Arab-Israel friction.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Vermont may proceed.

#### RESOLVING ARAB-ISRAEL FRICTION

Mr. FLANDERS. Mr. President, in this brief talk I propose to make suggestions as to two complicated and troublesome subjects; namely, the contributions of American citizens to the United Jewish Appeal and the satisfaction of the Arab refugees so far as their claims appear to be just.

On July 18 I submitted Senate Concurrent Resolution 106. A third "Resolved" in that resolution reads as follows:

*Resolved*, That the Treasury investigate the uses to which tax-free contributions of American citizens are put when sent to Israel, to see whether they tend to exacerbate Middle Eastern turmoil rather than relieve unavoidable distress, to the end that the tax-free status may be justified or withdrawn.

The question of the tax-free status of these contributions is important both from our internal domestic situation and from the standpoint of our relations with the rest of the world. Its domestic importance comes from the fact that every American taxpayer is interested in making sure that all of his fellow citizens pay their fair share of the tax burden. We should be sure, therefore, that any tax relief shall be for contributions that are unquestionably in support of non-profit undertakings, which are judged by the same criteria as are applied to other contributions.

From this standpoint the tax-free status of contributions to the United Jewish Appeal requires investigation. This fund is unlike anything else that has come to your speaker's attention in that it is spent by foreign authorities, in a foreign country, for the benefit of foreign nations. This in itself does not, perhaps, warrant doubt as to the justification for the tax-free status. It simply points to the need for extra care in examining that status.

Let it first be said that obviously political uses are an unsound basis for tax benefits. To the extent that these funds are used for strengthening the political, or even the economic, strength of a foreign country, to that extent tax relief is completely unjustified. This does not mean that no United States funds should be used for strengthening another nation politically or economically, because that is the whole purpose of our foreign-

aid program. Such foreign aid, however, should be financed by United States tax income collected by our Government, disbursed by our Government, and subject to the supervision of our Government, so far as its applications are concerned. To the extent, therefore, that the United Jewish Appeal or any other contributions applied to the uses of the Government of Israel fall wholly within the administrative responsibility of a foreign country, to that extent freedom from income taxation is unjustifiable and our citizens can properly demand that this privilege be withdrawn.

This, again, does not mean that the United States would have no interest or responsibility in the political or economic strength of Israel. It would have the same interest and responsibility that it has in the political and economic strength of the other nations of the Middle East. Turks, Jews, Arabs, and Iranians all fall into the same category in this respect, and should receive treatment on the same basis.

To the extent that the tax-free funds raised in America are applied to the relief of distress, to the provision of food for undernourished populations, for medical assistance, and for similar purposes such as those which come under the purview of our Red Cross, to that extent the tax-free status is justified. The question should be raised, however, as to whether administration and distribution should not be under a recognized Jewish equivalent of the Red Cross. If contributions to relieve distress are confined to similar uses, they may be given tax-free status.

Mr. President, these questions are both difficult and important. They justify the inclusion in my concurrent resolution of the paragraph just read.

The last item in that resolution reads as follows:

*Resolved*, That the United States use its good offices to gain recognition in a substantial way of the rights of the Arab refugees who were dispossessed of their lands.

Here we indeed touch a thorny problem. However, it must be grasped and mastered if any semblance of peace is to be brought to the nations and peoples of the Middle East.

My own personal experience with this question has, I was about to say, been illuminating. As I say the words, however, I realize that really I mean just the opposite. My experience has been one of being enveloped in an impenetrable smog.

I have had three primary sources of information with regard to the Arab refugee problem. One of them was by contact with the highest available Zionist official, who gives assurance that his government has been prepared at any and all times to provide resettlement of the dispossessed Arabs in Israel, to require them for the lands which they have lost, or assist them in resettling in new territory.

My second point of contact with this problem lay in the numerous conversations with representatives of the Arab nations with whom I and other Members of the United States Congress talked

during the meetings of the Interparliamentary Union held in London last September. These talks were extremely valuable, and the contacts which they represent are an inestimable asset of the Interparliamentary Union history and procedure. So far the function which the Union performs is irreplaceable. Neither haphazard meetings of citizens of various countries nor the processes of formal diplomacy offer anything like the opportunity for responsible members of the parliaments and congresses of the world to inform themselves on the problems for which they have legislative responsibility.

My third contact was again with the Arab point of view, and in this case was the result of a 2-hour conversation with the Foreign Minister of a leading country of the Arab world. This interview was held in New York. Whether in London or in New York, the Arab story was always the same. The demand was that substantial recognition of rights and recompense for their lands must be given the Arab refugees. It was asserted that this might either be by reentry into Israel on the former or substantially equivalent lands, or by outright purchase of the property occupied by the citizens of Israel.

As nearly as I can understand the contentions of the Government of Israel, it is that most of these lands were voluntarily abandoned but that the Government stands ready, and has announced that it stands ready, to recognize the rights of the refugees practically in the terms demanded by the Arab governments. Since it is the contention of the Arab governments that these demands have been refused, we find ourselves immersed in that smog to which I referred earlier. This smog must be cleared away.

Authorized representatives of the displaced Arabs and of the Government of Israel must be brought together and kept together. This must be no chance meeting to be ended after brief verbal clashes and mutual recriminations and public statements from each referring to the insincere evasiveness of the other. We have here a basis for agreement. The peace of the world demands that this basis be explored, its conditions organized, and its useful possibilities brought forth.

The resolution suggests that the United States use its good offices for this purpose. The parties to the disagreement may prefer another approach. Perhaps they would prefer that it be done under the mediation of the United Nations. However, it is to be done, it must be done. There can be no more evasiveness or double talk or equivocation. The matter is too serious.

Let it be said that the Arabs may have something to answer for. There is a suspicion abroad that the miseries of the refugees constitute for the Arabs a valuable asset, which they are not too willing to lose. Let us get at the truth.

A fortunate circumstance in some sort of a settlement would be that Iraq needs citizens and has new fertile land being brought under cultivation by the reestablishment of the ancient irrigation

in Mesopotamia with the waters of the Tigris and the Euphrates. It is, however, not enough that Israel points to Mesopotamia in an endeavor to relieve itself of its own responsibilities. Those responsibilities must be recognized in a substantial way if the Mesopotamian solution is to be used in any large measure for the satisfying of just demands of the refugees.

Those demands must be satisfied and both Israel and the Arab states are on record as to their willingness to confer and to accept reasonable solutions.

The PRESIDING OFFICER. Is there further morning business?

#### NEWSPAPER REPORTING OF VISIT TO BRAZIL BY SECRETARY DULLES

Mr. MONRONEY. Mr. President, I ask unanimous consent that I may proceed for 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. MONRONEY. Mr. President, I never thought I would see the day when I would be standing on the floor of the Senate defending Mr. Dulles and his actions abroad and at the same time criticizing my friends and former colleagues of our great press services.

However, I was amazed at the fantastic press treatment of Secretary Dulles' trip to Rio de Janeiro and his reception there.

Having just returned from a week's session of the Interparliamentary Union at Rio de Janeiro, which I attended as a member of the United States delegation, leaving there 2 days prior to Mr. Dulles' departure from the United States for that city, I was shocked to read on the front page of the dignified Washington Post the UPI story headlined "Students Boo, Yell Insults as Dulles Lands in Rio." The article reads:

RIO DE JANEIRO, August 4.—Secretary of State John Foster Dulles arrived in Brazil today on a 2-day official visit and immediately ran into an anti-American demonstration by a group of fist-shaking students shouting "Dulles go home."

As Dulles sped in a motorcade at 50 miles an hour by the black-draped university students' headquarters, some 200 students crowded the windows and the rooftop to boo, shout insults, and make threatening gestures with their arms.

Those are the first two paragraphs of the article on the front page of the Washington Post. The third paragraph reads:

It was the only hostile demonstration against the visitor, who was applauded by a crowd collected in front of the United States Embassy, both when he arrived from the airport and later when he left the Embassy to call on top Brazilian officials.

In the reputable Baltimore Sun I read the headline: "Students Jeer at Dulles as He Arrives in Rio."

The subhead reads: "Sign Advises Him To 'Go Home' but Physical Violence Is Nil; Friendship Shown Also."

The article reads:

RIO DE JANEIRO, August 4.—Students jeered Secretary Dulles on his arrival today for an

official visit to Brazil. A banner demanded: "Dulles go home."

Boos and whistles, a Latin American equivalent of the Bronx cheer, sounded from windows of the leftist National Students Union headquarters as the Secretary's car sped by at 50 miles an hour.

#### NO FRIENDS

The Dulles-go-home banner swung at the middle of the headquarters building. The building was draped in black.

On a mass of crepe was another sign saying: "Petrobras is untouchable."

Petrobras is Brazil's state-owned oil company.

A sign swinging above the entrance to the building attributed to Dulles the quotation: "The United States has no friends, just interests."

But there was no physical violence, such as the spitting and stoning attacks on Vice President Nixon in Peru and Venezuela during Nixon's South American tour last spring. Nixon did not visit Brazil.

Six paragraphs down, the article reads:

Friendship was manifest as well as hostility. Officials of President Juscelino Kubitschek's government welcomed Dulles at the airport. There was applause from a small throng at the United States Embassy in downtown Rio.

The respectable New York Times headlines its story: "Dulles is Jeered by Rio Students." The subhead reads: "Demonstration by Red-led Group Blocked—Secretary Stresses Mideast Issues."

Then the story is treated in more characteristic New York Times fashion.

The only objective treatment I have found was given by the New York Herald Tribune, a newspaper with which I frequently disagree.

The Tribune headline reads: "Dulles Gets Welcome in Brazil. Arrives to Talk With Kubitschek."

The front page article reads:

By United Press International.

RIO DE JANEIRO, August 4.—Secretary of State John Foster Dulles arrived here today by plane from Washington for a 2-day official visit to discuss hemisphere and world problems with President Juscelino Kubitschek.

Down in the eighth paragraph the article reads:

As Secretary Dulles, in a motorcade traveling at 50 miles an hour, sped by the black-draped university students' headquarters, about 200 students crowded the windows and the rooftop to boo, shout insults, and make threatening gestures with their arms.

At the meeting of the Interparliamentary Union at Rio de Janeiro we associated with the members of parliament and other elected officials of the great nations of Latin America. While there, we experienced the fine hospitality of the officials of Brazil. Everything possible was done to make our stay a pleasant one, to make us feel welcome, and to demonstrate the good will which exists among the great majority of the people of Latin America. In the time we were there, we were treated hospitably and with courtesy, even by taxicab drivers and the people on the streets. That experience demonstrates to me that the connotation of these stories is exactly the reverse of the facts.



Mr. President, I myself was once a newspaper man. I know what it means to get an early morning lead. What is wanted is something which will make the headlines; something which will have some yumph, jazz, and spectacular tone, rather than the rather drab headline carried in the New York Herald Tribune to the effect that Mr. Dulles was welcomed in Brazil.

But I say it is paying too high a price in our relations with great continental, friendly, democratic nations to headline and over-emphasize the fact that some 200 university students jeered or booed the Secretary of State, when that fact is so small in the whole picture, and was obviously heckling inspired by the Communist organization.

I watched and saw the Communist students' headquarters. I saw them working late at night, putting up signs for their Communist-backed candidates who are running in the elections which will be held this year.

The old time American visitors who were there knew the building. They expected the kind of action which was taken. They knew of the push-button control over that student organization by Moscow's highly paid secretariat, which is maintained in Rio de Janeiro, and which furnishes the stinkbombs which are thrown by the students.

As one who has had some newspaper experience, I say that the persons who wrote these stories and placed over them the headlines about booing completely failed to cover the situation in an objective way.

It would have been news if the Communist-led students had not jeered or booed. What does one expect? If our newspaper writers had been there for a day or two, they could have learned from any American that the student demonstrations take place against the Brazilian Government, against any capitalistic enterprise, or against anything else.

Experienced newspaper writers traveled 5,000 miles to Rio to cover the visit by the Secretary of State was the only thing which was newsworthy to them in the welcoming of our Secretary of State the jeering by the Communist student demonstrators? All over the world the story will be construed to mean that American prestige in Brazil and in Latin America as a whole is at a new low. What has happened to the newspaper fraternity when experienced news and headline writers are a "patsy" for incidents like that?

I will defend the press against all unfair attacks, but certainly the responsibility of a free press demands an accurate job of reporting foreign affairs.

I speak from the experiences of a week in Rio, and from the experiences of the other members of our party, who had been also in many other Latin American countries for 2 weeks, and who had constant, day-to-day association with the elected representatives of those countries. I say that the stories which have been printed under glaring headlines and published to the world will damage the prestige and friendship which I know

the United States has in Latin America. If we do not have more objective reporting of the whole picture of our activities in foreign countries, with events played in such a way as to show their relative importance, we shall leave the impression from our own news sources that the world is saying to us: "Americans Go Home." Such a false impression is dangerous and misleading.

Mr. JAVITS. Mr. President, I think the Senator from Oklahoma has called our attention to a very significant point, based upon his experience. The American press prides itself upon giving all the facts and relies upon the American public to screen the facts.

I express the hope that the press, having given what it considered to be the leading news from Latin America this morning, will now follow up with the other leading news, which is, as the Senator from Oklahoma has so very properly underlined, the fact that these are manifestations which we must expect; that we must not let ourselves be distracted by them.

The bulk of the people in the other American Republics believe as completely as we do that the path of freedom is their best path, too, and will get them the farthest in terms of decent living, moral living, and higher standards of living. We are dealing with areas which are religious in their outlook on life. Also, we are dealing with people who have constantly elected leaders in their country, leaders such as President Kubitschek, with whom Secretary of State Dulles is conferring. He would not be the leader he is in Brazilian politics if he did not feel the great bulk of people of his country were following him, and not following the booing, jeering students.

So I express the confident expectation that the United States press will now, as it traditionally has done, put the case in focus, in proper perspective, by showing us what is the fact, as the Senator from Oklahoma has so very truly reminded us, namely, that the great bulk of the people of Latin America are our friends and neighbors, and wish our cooperation; and that it is in the highest American interest that we should cooperate with them as people who have self-respect and take great pride in their own sovereignty and ability to conduct their own affairs, as we conduct ours.

The main consideration is that the Latin American people are just as wise, just as patriotic, just as effective, and just as desirous of working with the other people of the Free World as we are.

I think the best thing we can do is to deal with them on the basis of mutual cooperation and mutual respect. If all the American people understand this need, I do not fear the kind of adverse publicity about which we have read today.

#### MAINTENANCE OF THE DUNES AREA, SOUTHERN LAKE MICHIGAN

Mr. DOUGLAS. Mr. President, the growing public desire to maintain the

Dunes area, at the south end of Lake Michigan, for the recreational uses of the people is reflected not only in the many thousands of signatures on petitions which have been coming in, but also in the editorials published in various informed newspapers.

For the information of Members of Congress and the appropriate committees, I ask unanimous consent to have printed in the Record an editorial entitled "Dunes State Park Demand," from the July 24, 1958, issue of the La Porte Herald-Argus.

This Indiana newspaper points out the growing public interest in exploring the Dunes area, and the unique value of the natural beauty available there.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

#### DUNES STATE PARK DEMAND

The Indiana Dunes State Park, publicized in a national magazine as one of the 50 most beautiful and best camping places in the Nation, showed an 8 percent increase in attendance for the fiscal year ending June 30. Of Indiana's 19 State parks the Versailles State Park was the only other one to show a gain. Attendance at Dunes Park was 25,068 more, for a total of 329,400, than the previous fiscal year. Its total represented about 18 percent of the total of 1,842,160 for all Indiana State parks for the year.

It is proposed to spend \$350,000 to \$500,000 for an expansion program in Dunes Park, including a new entrance gate, concession, shelter, and bathhouse at the east end of the area. The developed area is now at the west end of the Lake Michigan shoreline. The park now has 2,182 acres and only a small portion of the acreage is extensively used.

Because of the increased crowds coming to the park for outdoor fun and recreation, there should be greater development along the 4-mile strip of Lake Michigan. As the whole Chicagoland area grows in population and in the proportion of younger people, great outdoor facilities have more use. This trend seems destined to go on for many years.

But as these developments are made they should be carefully planned and limited to safeguard as much as possible the priceless Dunes area—plants, animal and insect life, some of which is unique in the Nation. To preserve these treasures for natural scientists and for those who love what lives and grows in the outdoors, the developments should be limited to the beach areas and to necessary roads or paths.

In the sense that the Dunes area represents one of the last outposts of primeval nature in all her splendor and richness, the 2,182 acres are pathetically small. That's why the save-the-Dunes people argue that the last remnant of unspoiled shoreline west of the Dunes Park should also be saved from steel mills and ship harbors which can always be placed in other locations. There is no way to replace the Dunes once taken over by civilization.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed at this point in the Record a brief excerpt from a letter I have just received from Mrs. Emilie Welcl, executive secretary of the Czechoslovak National Council of America, describing her impressions, and those of other visitors, of the beautiful area of the Dunes, at the southern end of Lake Michigan, which we are seeking to save for all of the people, by means of Senate bill 3398.

There being no objection, the excerpt from the letter was ordered to be printed in the RECORD, as follows:

CZECHOSLOVAK NATIONAL  
COUNCIL OF AMERICA,  
Chicago, Ill., July 26, 1958.

HON. PAUL H. DOUGLAS,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR DOUGLAS: I have just returned from a short vacation and thought of you many times during the trip. I first visited the Gary area near the lake, then proceeded up around the lake to Mackinac Island. With me I had three ladies who have never visited Michigan, and I was very proud to show off America to them. We have all seen the beaches in southern France, Italy, Yugoslavia, Florida, California—but the beauty of the Dunes is incomparable. We sincerely hope that your efforts to save the Dunes will be rewarded. You are acquainted with the fact, we are sure, that our Sokol Pilsen organization has a fine camp on the shores of Lake Michigan, near New Buffalo? This has been established somewhere around 1921. The attorney, Charles Kropik, is long-time president of the Pilsen Sokol organization.

With kindest regards,  
Yours respectfully,

EMILIE WELCH,  
Executive Secretary.

#### USE OF FOREIGN CURRENCIES BY CONGRESSIONAL COMMITTEES

Mr. GREEN. Mr. President, it will be recalled that in the Mutual Security Act of 1958 Congress amended the statutory provisions relating to the use of foreign currencies by Congressional committees. Under the new provisions, each member or employee of a committee using these currencies is required to make an itemized report, in accordance with regulations prescribed by the committee. These individual reports are then to be consolidated and forwarded to the Appropriations Committee. The consolidated reports are then to be published in the CONGRESSIONAL RECORD.

I ask unanimous consent that section 502 (b) of the Mutual Security Act be printed in the RECORD at this point.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

#### SECTION 502 (B) OF THE MUTUAL SECURITY ACT OF 1958

Provided, That each member or employee of any such committee shall make, to the chairman of such committee in accordance with regulations prescribed by such committee, an itemized report showing the amounts and dollar equivalent values of each such foreign currency expended, together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within the first 60 days that Congress is in session in each calendar year, the chairman of each such committee shall consolidate the reports of each member and employee of the committee and forward said consolidated report, showing the total itemized expenditures of the committee and of each member or employee thereof during the preceding calendar year, to the Committee on House Administration of the House of Representatives (If the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (If the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such report

submitted by each committee shall be published in the CONGRESSIONAL RECORD within 10 legislative days after receipt by the Committee on House Administration of the House or the Committee on Appropriations of the Senate.

Mr. GREEN. In accordance with the provisions of law contemplating that each committee would make regulations governing the expenditure of foreign currencies by its members and employees, the Committee on Foreign Relations has adopted a set of travel regulations. Because of the public interest in this subject, I ask unanimous consent that those regulations, as approved by the committee August 5, be printed in the RECORD at this point.

#### UNITED STATES SENATE, COMMITTEE ON FOREIGN RELATIONS, August 5, 1958.

##### TRAVEL REGULATIONS

##### I. DESIGNATED PERSONS

A. Committee and staff members proceeding abroad on official committee business will be designated in advance by the chairman, or in his absence by a committee member named for such purpose. All other Government employees accompanying committee members and personnel abroad (except properly detailed escort officers) shall be carried in a committee travel status only upon written application to, and prior consent of, the chairman.

##### II. DOLLAR EXPENDITURES

A. Authorized dollar advances from committee funds pursuant to the Legislative Reorganization Act of 1946, or by Senate resolution, and reimbursements for out-of-pocket dollar expenditures while on official travel in the United States or abroad shall be accounted for in accordance with applicable laws and regulations of the Committee on Rules and Administration.

##### III. FOREIGN CURRENCY EXPENDITURES

A. Authorization for committee members and personnel, and accompanying Senate employees, to draw foreign currencies at United States posts abroad, shall be made in advance to the Department of State by the chairman in accordance with section 502 (b) of the Mutual Security Act of 1954, as amended.

B. Staff members may also be given authority to draw foreign currencies on behalf of the Senate members of any official travel party.

C. Accounting for all foreign currencies drawn by designated persons shall be reported by them to the clerk of the Committee on Foreign Relations, in form, as follows:

1. The composition of each official travel party, dates of departure and return to the United States, countries visited, and the days spent in each.

2. The amounts of foreign currencies drawn, by whom, where, and when, with their dollar equivalents.

3. A statement of other foreign currencies expended on behalf of an official travel party or designated persons by the Department of State or other Government agencies not required to be listed in subsection 2 above.

4. The amounts of foreign currencies drawn and not utilized and returned on receipt to United States posts abroad.

5. Subtotals, country by country, of foreign currencies spent for the following purposes, with their dollar equivalents: (a) Meals (including gratuities); (b) lodging (including gratuities); (c) official representation expenses; (d) transportation (including car rentals, taxis, berths, baggage charges, gratuities, etc.); (e) communications; (f) landing and interpreters' fees,

maps, books, visa charges, and other specified expenses actually incurred in line of travel.

##### IV. OTHER FUNDS

A. Accountability by Senators and Senate personnel traveling abroad while using other funds such as those for the Inter-Parliamentary Union, NATO Parliamentarians, etc., shall be made in accordance with specifications for the expenditures of those funds, and these and other official regulations where applicable.

##### V. INSTRUCTIONS

A. The chief of staff of the Committee on Foreign Relations is directed to prepare committee instructions to carry out the purposes of these regulations, and approve forms for reports.

##### VI. REPORTS

A. The clerk of the Committee on Foreign Relations is charged with the final execution of all travel vouchers and reports, and the consolidation of those reports showing utilization of foreign currencies for submission by the chairman of the committee to the Committee on Appropriations within the specified time provided by law.

#### AMENDMENT OF SECTION 4426, REVISED STATUTES, RELATING TO OPERATION OF CERTAIN VESSELS

The PRESIDING OFFICER (Mr. TALMADGE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1798) to amend section 4426 of the Revised Statutes, as amended, with respect to certain small vessels operated by cooperatives or associations in transporting merchandise of members on a nonprofit basis to or from places within the inland waters of southeastern Alaska and Prince Rupert, British Columbia, or to or from places within said inland waters and places within the inland waters of the State of Washington, which was, to strike out all after the enacting clause and insert:

That the third sentence of section 4426 of the Revised Statutes, as amended (34 Stat. 193; 46 U. S. C. 404), is hereby amended by adding the following proviso at the end thereof: "Provided further, That no vessel under 150 gross tons, owned by or demise chartered to any cooperative or association engaged solely in transporting cargo owned by any one or more of the members of such cooperative or association on a nonprofit basis (1) between places within the inland waters of southeastern Alaska, as defined pursuant to section 2 of the act of February 19, 1895, as amended (28 Stat. 672; 33 U. S. C. 151), or (2) between places within said inland waters of southeastern Alaska and Prince Rupert, British Columbia, or (3) between places within said inland waters of southeastern Alaska and places within the inland waters of the State of Washington, as also defined pursuant to such act of February 19, 1895, as amended, via sheltered waters, as defined in article I, of the treaty between United States and Canada defining certain waters of the west coast of North America as sheltered waters, dated December 9, 1933, shall be deemed to be carrying freight for hire within the meaning of this section."

Sec. 2. This act shall be effective immediately upon enactment and shall apply only to vessels theretofore constructed and now in operation in Alaskan waters and shall cease to be effective on and after June 30, 1962.

Mr. MAGNUSON. Mr. President, I move that the Senate disagree to the



amendment of the House of Representatives, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. PASTORE, Mr. LAUSCHE, Mr. BUTLER, and Mr. COTTON the conferees on the part of the Senate.

#### CIVIL AERONAUTICS BOARD AND FEDERAL AVIATION AGENCY

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3880) to create a Civil Aeronautics Board and a Federal Aviation Agency, to provide for the regulation and promotion of civil aviation in such manner as to best foster its development and safety, and to provide for the safe and efficient use of the airspace by both civil and military aircraft, which were, to strike out all after the enacting clause and insert:

That this act may be cited as the "Federal Aviation Act of 1958."

#### TITLE I—GENERAL PROVISIONS

##### Definitions

Sec. 101. As used in this act, unless the context otherwise requires—

(1) "Administrator" means the Administrator of the Federal Aviation Agency.

(2) "Aeronautics" means the science and art of flight.

(3) "Air carrier" means any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in air transportation: *Provided*, That the Board may by order relieve air carriers who are not directly engaged in the operation of aircraft in air transportation from the provisions of this act to the extent and for such periods as may be in the public interest.

(4) "Air commerce" means interstate, overseas, or foreign air commerce or the transportation of mail by aircraft or any operation or navigation of aircraft within the limits of any Federal airway or any operation or navigation of aircraft which directly affects, or which may endanger safety in, interstate, overseas, or foreign air commerce.

(5) "Aircraft" means any contrivance now known or hereafter invented, used, or designed for navigation or flight in the air.

(6) "Aircraft engine" means an engine used, or intended to be used, for propulsion of aircraft and includes all parts, appurtenances, and accessories thereof other than propellers.

(7) "Airman" means any individual who engages, as the person in command or as pilot, mechanic, or member of the crew, in the navigation of aircraft while under way; and (except to the extent the Administrator may otherwise provide with respect to individuals employed outside the United States) any individual who is directly in charge of the inspection, maintenance, overhauling, or repair of aircraft, aircraft engines, propellers, or appliances; any individual who serves in the capacity of aircraft dispatcher or air-traffic control-tower operator; and any individual who makes test, exhibition, or practice parachute jumps from aircraft, whether for sport or monetary consideration.

(8) "Air navigation facility" means any facility used in, available for use in, or designed for use in, aid of air navigation, including landing areas, lights, any apparatus or equipment for disseminating weather information, for signaling, for radio-directional findings, or for radio or other electrical communication, and any other structure or

mechanism having a similar purpose for guiding or controlling flight in the air or the landing and take-off of aircraft.

(9) "Airport" means a landing area used regularly by aircraft for receiving or discharging passengers or cargo.

(10) "Air transportation" means interstate, overseas, or foreign air transportation or the transportation of mail by aircraft.

(11) "Appliances" means instruments, equipment, apparatus, parts, appurtenances, or accessories, of whatever description, which are used, or are capable of being or intended to be used, in the navigation, operation, or control of aircraft in flight (including parachutes and including communication equipment and any other mechanism or mechanisms installed in or attached to aircraft during flight), and which are not a part or parts of aircraft, aircraft engines, or propellers.

(12) "Board" means the Civil Aeronautics Board.

(13) "Citizen of the United States" means

(a) an individual who is a citizen of the United States or of one of its possessions, or (b) a partnership of which each member is such an individual, or (c) a corporation or association created or organized under the laws of the United States or of any State, Territory, or possession of the United States, of which the president and two-thirds or more of the board of directors and other managing officers thereof are such individuals and in which at least 75 percent of the voting interest is owned or controlled by persons who are citizens of the United States or of one of its possessions.

(14) "Civil aircraft" means any aircraft other than a public aircraft.

(15) "Civil aircraft of the United States" means any aircraft registered as provided in this act.

(16) "Conditional sale" means (a) any contract for the sale of an aircraft, aircraft engine, propeller, appliance, or spare part under which possession is delivered to the buyer and the property is to vest in the buyer at a subsequent time, upon the payment of part or all of the price, or upon the performance of any other condition or the happening of any contingency; or (b) any contract for the bailment or leasing of an aircraft, aircraft engine, propeller, appliance, or spare part, by which the bailee or lessee contracts to pay as compensation a sum substantially equivalent to the value thereof, and by which it is agreed that the bailee or lessee is bound to become, or has the option of becoming, the owner thereof upon full compliance with the terms of the contract. The buyer, bailee, or lessee shall be deemed to be the person by whom any such contract is made or given.

(17) "Conveyance" means a bill of sale, contract of conditional sale, mortgage, assignment of mortgage, or other instrument affecting title to, or interest in, property.

(18) "Federal airway" means a portion of the navigable airspace of the United States designated by the Administrator as a Federal airway.

(19) "Foreign air carrier" means any person, not a citizen of the United States, who undertakes, whether directly or indirectly or by lease or any other arrangement, to engage in foreign air transportation.

(20) "Interstate air commerce", "overseas air commerce", and "foreign air commerce", respectively, mean the carriage by aircraft of persons or property for compensation or hire, or the carriage of mail by aircraft, or the operation or navigation of aircraft in the conduct or furtherance of a business or vocation, in commerce between, respectively—

(a) a place in any State of the United States, or the District of Columbia, and a place in any other State of the United States, or the District of Columbia; or between places in the same State of the United States through the airspace over any place

outside thereof; or between places in the same Territory or possession of the United States, or the District of Columbia;

(b) a place in any State of the United States, or the District of Columbia, and any place in a Territory or possession of the United States; or between a place in a Territory or possession of the United States, and a place in any other Territory or possession of the United States; and

(c) a place in the United States and any place outside thereof; whether such commerce moves wholly by aircraft or partly by aircraft and partly by other forms of transportation.

(21) "Interstate air transportation", "overseas air transportation", and "foreign air transportation", respectively, mean the carriage by aircraft of persons or property as a common carrier for compensation or hire or the carriage of mail by aircraft, in commerce between, respectively—

(a) a place in any State of the United States, or the District of Columbia, and a place in any other State of the United States, or the District of Columbia; or between places in the same State of the United States through the airspace over any place outside thereof; or between places in the same Territory or possession of the United States, or the District of Columbia;

(b) a place in any State of the United States, or the District of Columbia, and any place in a Territory or possession of the United States; or between a place in a Territory or possession of the United States, and a place in any other Territory or possession of the United States; and

(c) a place in the United States and any place outside thereof; whether such commerce moves wholly by aircraft or partly by aircraft and partly by other forms of transportation.

(22) "Landing area" means any locality, either of land or water, including airports and intermediate landing fields, which is used, or intended to be used, for the landing and takeoff of aircraft, whether or not facilities are provided for the shelter, servicing, or repair of aircraft, or for receiving or discharging passengers or cargo.

(23) "Mail" means United States mail and foreign-transit mail.

(24) "Navigable airspace" means airspace above the minimum altitudes of flight prescribed by regulations issued under this act, and shall include airspace needed to insure safety in takeoff and landing of aircraft.

(25) "Navigation of aircraft" or "navigate aircraft" includes the piloting of aircraft.

(26) "Operation of aircraft" or "operate aircraft" means the use of aircraft, for the purpose of air navigation and includes the navigation of aircraft. Any person who causes or authorizes the operation of aircraft, whether with or without the right of legal control (in the capacity of owner, lessee, or otherwise) of the aircraft, shall be deemed to be engaged in the operation of aircraft within the meaning of this act.

(27) "Person" means any individual, firm, copartnership, corporation, company, association, joint-stock association, or body politic; and includes any trustee, receiver, assignee, or other similar representative thereof.

(28) "Propeller" includes all parts, appurtenances, and accessories thereof.

(29) "Possessions of the United States" means (a) the Canal Zone, but nothing herein shall impair or affect the jurisdiction which has heretofore been, or may hereafter be, granted to the President in respect of air navigation in the Canal Zone; and (b) all other possessions of the United States. Where not otherwise distinctly expressed or manifestly incompatible with the intent thereof, references in this act to possessions of the United States shall be treated as also referring to the Commonwealth of Puerto Rico.

(30) "Public aircraft" means an aircraft used exclusively in the service of any government or of any political subdivision thereof, including the government of any State, Territory, or possession of the United States, or the District of Columbia, but not including any government-owned aircraft engaged in carrying persons or property for commercial purposes.

(31) "Spare parts" means parts, appurtenances, and accessories of aircraft (other than aircraft engines and propellers), of aircraft engines (other than propellers), of propellers and of appliances, maintained for installation or use in an aircraft, aircraft engine, propeller, or appliance, but which at the time are not installed therein or attached thereto.

(32) "Ticket agent" means any person, not an air carrier or a foreign air carrier and not a bona fide employee of an air carrier or foreign air carrier, who, as principal or agent, sells or offers for sale any air transportation, or negotiates for, or holds himself out by solicitation, advertisement, or otherwise as one who sells, provides, furnishes, contracts or arranges for, such transportation.

(33) "United States" means the several States, the District of Columbia, and the several Territories and possessions of the United States, including the territorial waters and the overlying airspace thereof.

#### *Declaration of policy: The Board*

SEC. 102. In the exercise and performance of its powers and duties under this act, the Board shall consider the following, among other things, as being in the public interest, and in accordance with the public convenience and necessity:

(a) The encouragement and development of an air-transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense;

(b) The regulations of air transportation in such manner as to recognize and preserve the inherent advantages of, assure the highest degree of safety in, and foster sound economic conditions in, such transportation, and to improve the relations between, and coordinate transportation by, air carriers;

(c) The promotion of adequate, economical, and efficient service by air carriers at reasonable charges, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices;

(d) Competition to the extent necessary to assure the sound development of an air-transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense;

(e) The promotion of safety in air commerce; and

(f) The promotion, encouragement and development of civil aeronautics.

#### *Declaration of policy: The Administrator*

SEC. 103. In the exercise and performance of his powers and duties under this act the Administrator shall consider the following, among other things, as being in the public interest:

(a) The regulation of air commerce in such manner as to best promote its development and safety and fulfill the requirements of national defense;

(b) The promotion, encouragement, and development of civil aeronautics;

(c) The control of the use of the navigable airspace of the United States and the regulation of both civil and military operations in such airspace in the interest of the safety and efficiency of both;

(d) The consolidation of research and development with respect to air navigation facilities, as well as the installation and operation thereof;

(e) The development and operation of a common system of air traffic control and navigation for both military and civil aircraft.

#### *Public right of transit*

SEC. 104. There is hereby recognized and declared to exist in behalf of any citizen of the United States a public right of freedom of transit through the navigable airspace of the United States.

#### **TITLE II—CIVIL AERONAUTICS BOARD; GENERAL POWERS OF BOARD**

##### *Continuation of existing board*

##### *General*

SEC. 201. (a) (1) The Civil Aeronautics Board, created and established under the name "Civil Aeronautics Authority" by section 201 of the Civil Aeronautics Act of 1938 and redesignated as the "Civil Aeronautics Board" by Reorganization Plan No. IV of 1940, is hereby continued as an agency of the United States, and shall continue to be composed of five members appointed by the President, by and with the advice and consent of the Senate, for terms of 6 years, beginning upon the expiration of the terms for which their predecessors were appointed, except that any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term; but upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified.

(2) The members of the Board may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. No more than three of the members shall be appointed from the same political party. The President shall designate annually one of the members of the Board to serve as chairman and one of the members to serve as vice chairman, who shall act as chairman in the absence or incapacity of the chairman. Each member of the Board shall receive a salary at the rate of \$20,000 per annum, except that the member serving as chairman shall receive a salary at the rate of \$20,500 per annum.

##### *Qualifications of Members*

(b) The members of the Board shall be appointed with due regard to their fitness for the efficient dispatch of the powers and duties vested in and imposed upon the Board by this act. Each member of the Board shall be a citizen of the United States, and no member of the Board shall have any pecuniary interest in or own stock in or bonds of any civil aeronautics enterprise. No member of the Board shall engage in any other business, vocation, or employment.

##### *Quorum, Principal Office, and Seal*

(c) Three of the members shall constitute a quorum of the Board. The principal office of the Board shall be in the District of Columbia, where its general sessions shall be held, but whenever the convenience of the public or of the parties may be promoted, or delay or expense may be prevented, the Board may hold hearings or other proceedings at any other place. The Board shall have an official seal which shall be judicially noticed and which shall be preserved in the custody of the secretary of the Board.

##### *Miscellaneous*

##### *Officers and Employees*

SEC. 202. (a) The Board is authorized, without regard to the civil-service and classification laws, to appoint and prescribe the duties and fix the compensation of a secretary of the Board, and to fix the compensation of a secretary and an administrative assistant for each member, and subject to the civil-service and classification laws, to select, employ, appoint, and fix the compensation of

such officers, employees, attorneys, and agents, as shall be necessary to carry out the provisions of this act, and to define their authority and duties.

##### *Temporary Personnel*

(b) The Board may, from time to time, without regard to the provisions of the civil-service laws, engage for temporary service such duly qualified consulting engineers or agencies, or other qualified persons as are necessary in the exercise and performance of the powers and duties of each, and fix the compensation of such engineers, agencies, or persons without regard to the Classification Act of 1949, as amended, and the expenses of such employment shall be paid out of sums appropriated for the expenses of the Board.

##### *Cooperation With Other Federal Agencies*

(c) The Board is authorized to use, with their consent, the available services, equipment, personnel, and facilities of other civilian or military agencies and instrumentalities of the Federal Government, on a reimbursable basis when appropriate, and on a similar basis to cooperate with such other agencies and instrumentalities in the establishment and use of services, equipment, and facilities of the Board.

##### *Authorization of expenditures and travel*

##### *General Authority*

SEC. 203. (a) The Board is empowered to make such expenditures at the seat of government and elsewhere as may be necessary for the exercise and performance of the powers and duties vested in and imposed upon the Board by law, and as from time to time may be appropriated for by Congress, including expenditures for (1) rent and personal services at the seat of government and elsewhere; (2) travel expenses; (3) office furniture, equipment and supplies, law-books, newspapers, periodicals, and books of reference (including the exchange thereof); (4) printing and binding; (5) membership in and cooperation with such organizations as are related to, or are part of, the civil-aeronautics industry or the art of aeronautics in the United States or in any foreign country; (6) making investigations and conducting studies in matters pertaining to aeronautics; and (7) acquisition (including exchange), operation, and maintenance of passenger carrying automobiles and aircraft, and such other property as is necessary in the exercise and performance of the powers and duties of the Board: *Provided*, That no aircraft or motor vehicle purchased under the provisions of this section, shall be used otherwise than for official business.

##### *Travel*

(b) Travel by personnel of the United States Government on commercial aircraft, domestic or foreign, including travel between airports and centers of population or posts of duty when incidental to travel on commercial aircraft, shall be allowed at public expense when authorized or approved by competent authority, and transportation requests for such travel may be issued upon such authorizations. Such expense shall be allowed without regard to comparative costs of transportation by aircraft with other modes of transportation.

##### *General powers and duties of the Board*

##### *General Powers*

SEC. 204. (a) The Board is empowered to perform such acts, to conduct such investigations, to issue and amend such orders, and to make and amend such general or special rules, regulations, and procedure, pursuant to and consistent with the provisions of this act, as it shall deem necessary to carry out the provisions of, and to exercise and perform its powers and duties under this act.



### Cooperation with State Aeronautical Agencies

(b) The Board is empowered to confer with or to hold joint hearings with any State aeronautical agency, or other State agency, in connection with any matter arising under this act within its jurisdiction, and to avail itself of the cooperation, services, records, and facilities of such State agencies as fully as may be practicable in the administration and enforcement of this act.

### Exchange of Information

(c) The Board is empowered to exchange with foreign governments, through appropriate agencies of the United States, information pertaining to aeronautics.

### Publications

(d) Except as may be otherwise provided in this act, the Board shall make a report in writing in all proceedings and investigations under this act in which formal hearings have been held, and shall state in such report its conclusions together with its decision, order, or requirement in the premises. All such reports shall be entered of record and a copy thereof shall be furnished to all parties to the proceeding or investigation. The Board shall provide for the publication of such reports, and all other reports, orders, decisions, rules, and regulations issued by it under this act in such form and manner as may be best adapted for public information and use. Publications purporting to be published by the Board shall be competent evidence of the orders, decisions, rules, regulations, and reports of the Board therein contained in all courts of the United States, and of the several States, Territories, and possessions thereof, and the District of Columbia, without further proof of authentication thereof.

### Annual report

SEC. 205. The Board shall make an annual report to the Congress, copies of which shall be distributed as are other reports transmitted to Congress. Such report shall contain in addition to a report of the work performed under this act, such information and data collected by the Board as may be considered of value in the determination of questions connected with the development and regulation of civil aeronautics, together with such recommendations as to additional legislation relating thereof as the Board may deem necessary, and the Board may also transmit recommendations as to legislation at any other time.

### TITLE III—ORGANIZATION OF AGENCY AND POWERS AND DUTIES OF ADMINISTRATOR

#### Creation of Agency

##### General

SEC. 301. (a) There is hereby established the Federal Aviation Agency, referred to in this act as the "Agency." The Agency shall be headed by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$22,500 per annum. The Administrator shall be responsible for the exercise of all powers and the discharge of all duties of the Agency, and shall have authority and control over all personnel and activities thereof. In the exercise of his duties and the discharge of his responsibilities under this act, the Administrator shall not submit his decisions for the approval of, nor be bound by the decisions or recommendations of, any committee, board, or other organization created by Executive order.

##### Qualifications of Administrator

(b) The Administrator shall be a citizen of the United States, and shall be appointed with due regard for his fitness for the efficient discharge of the powers and duties

vested in and imposed upon him by this act. At the time of his nomination he shall be a civilian and shall have had experience in a field directly related to aviation. The Administrator shall have no pecuniary interest in or own any stock in or bonds of any aeronautical enterprise nor shall he engage in any other business, vocation, or employment.

##### Principal Office and Seal

(c) The principal office of the Agency shall be in or near the District of Columbia, but it may act and exercise all its powers at any other place. The Agency shall have an official seal which shall be judicially noticed.

##### Organization of Agency

##### Deputy Administrator

SEC. 302. (a) There shall be a Deputy Administrator of the Agency who shall be appointed by the President by and with the advice and consent of the Senate. The Deputy Administrator shall receive compensation at the rate of \$20,500 per annum, and shall perform such duties and exercise such powers as the Administrator shall prescribe. The Deputy Administrator shall act for, and exercise the powers of, the Administrator during his absence or disability.

##### Qualifications and Status of Deputy Administrator

(b) The Deputy Administrator shall be a citizen of the United States, and shall be appointed with due regard for his fitness for the efficient discharge of the powers and duties vested in and imposed upon him by this act. At the time of his nomination he shall have had experience in a field directly related to aviation. He shall have no pecuniary interest in nor own any stocks in or bonds of any aeronautical enterprise, nor shall he engage in any other business, vocation, or employment. Nothing in this act or other law shall preclude appointment to the position of Deputy Administrator of an officer on active duty with the armed services; except that if the Administrator is a former Regular officer of any one of the armed services, the Deputy Administrator shall not be an officer on active duty with one of the armed services or a retired or resigned Regular officer of one of the armed services. Any officer on active duty or any retired officer, while serving as Deputy Administrator, shall continue to hold rank and grade not lower than that in which serving at the time of his appointment as Deputy Administrator, and shall be entitled to receive (1) the compensation provided for the Deputy Administrator by subsection (a) of this section, or (2) the military pay and allowances (including personal money allowance) or the retired pay, as the case may be, payable to a commissioned officer of his grade and length of service, whichever he may elect. Whenever any officer serving as Deputy Administrator elects to receive his military pay and allowances (including personal money allowance), or his retired pay, as the case may be, the appropriate department shall be reimbursed from any funds available to defray the expenses of the Agency.

##### Military Participation

(c) (1) In order to insure that the interests of national defense are properly safeguarded and that the Administrator is properly advised as to the needs and special problems of the armed services, the Administrator shall provide for participation of military personnel in carrying out his functions relating to regulation and protection of air traffic, including provision of air navigation facilities, and research and development with respect thereto, and the allocation of airspace. Members of the Army, the Navy, the Air Force, the Marine Corps, or the Coast Guard may be detailed by the appropriate Secretary, pursuant to cooperative agreements with the Administrator, including such agreement on reim-

bursment as may be deemed advisable by the Administrator and the Secretary concerned, for service in the Agency to effect such participation.

(2) Appointment to, acceptance of, and service as Deputy Administrator or under such cooperative agreements shall in no way affect status, office, rank, or grade which commissioned officers or enlisted men may occupy or hold, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. No person so detailed or appointed shall be subject to direction by or control by the department from which detailed or appointed or by any agency or officer thereof directly or indirectly with respect to his responsibilities under this act or within the Agency.

(3) The Administrator, within 6 months of the effective date of this paragraph and semiannually thereafter, shall report in writing to the appropriate committees of the Congress on agreements entered into under this subsection, including the number, rank, and positions of members of the armed services detailed pursuant thereto, together with his evaluation of the effectiveness of such agreements and assignments of personnel thereunder in accomplishing the purposes of such subsection.

##### Exchange of Information

(d) In order to assist the Administrator further in the discharge of responsibilities under this act, the Administrator and the Secretary of Defense, and the Administrator and the Administrator of the National Aeronautics and Space Administration, are directed to establish by cooperative agreement suitable arrangements for the timely exchange of information pertaining to their programs, policies, and requirements directly relating to such responsibilities.

##### Emergency Status

(e) The Administrator shall develop in consultation with the Department of Defense and other affected Government agencies, plans for the effective discharge of the responsibilities of the Agency in the event of war, and shall propose to Congress on or before January 1, 1960, legislation for such purpose: *Provided*, That in the event of war the President by Executive order may transfer to the Department of Defense any functions (including powers, duties, activities, facilities, and parts of functions) of the Agency prior to enactment of such proposed legislation. In connection with any such transfer, the President may provide for appropriate transfers of records, property, and personnel.

##### Officers and Employees

(f) The Administrator is authorized, subject to the civil-service and classification laws, to select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this act, and to define their authority and duties.

##### Study of Special Personnel Problems

(g) The Administrator shall make a study, in consultation with other affected Government agencies, of personnel problems inherent in the functions of the Agency, giving due consideration to the need for (1) special qualifications and training, (2) special provisions as to pay, retirement, and hours of service, and (3) special provisions to assure availability, responsiveness, and security status of essential personnel in fulfilling national defense requirements, and shall report the results thereof, and make recommendation for legislation thereon, to Congress on or before January 1, 1960.

##### Scientific Employees

(h) The Administrator is authorized to establish and fix the compensation for not

to exceed 15 positions of officers and employees of the Agency of a scientific or professional nature without regard to the Classification Act of 1949, as amended, each such position being established to effectuate those research, development, and related activities of the Agency which require the services of specially qualified scientific or professional personnel. The rates of basic compensation for positions established pursuant to this subsection shall not exceed the maximum rate payable under the act of August 1, 1947 (Public Law 313, 80th Cong.), as amended, and title V of the act of July 31, 1956 (Public Law 854, 84th Cong.), and shall be subject to the approval of the Civil Service Commission. Positions created pursuant to this subsection shall be included in the classified civil service of the United States, but appointment to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the Civil Service Commission or such officers or agents as it may designate for this purpose.

#### Advisory Committees and Consultants

(i) The Administrator is authorized to appoint such advisory committees as shall be appropriate for the purpose of consultation with and advice to the Agency in performance of its functions hereunder and to obtain services authorized by section 15 of the Administrative Expenses Act of 1946 (5 U. S. C. 55a), at rates not to exceed \$100 per diem for individuals, and for not to exceed 100 days in any calendar year in the case of any individual. Members of such committees shall be entitled to travel expenses and per diem as authorized by the Administrative Expenses Act of 1946 (5 U. S. C. 73b-2), for all persons employed intermittently as consultants or experts receiving compensation on a per diem basis.

#### Cooperation With Other Agencies

(j) The Administrator is authorized to use with their consent the available services, equipment, personnel, and facilities of other civilian or military agencies and instrumentalities of the Federal Government, on a reimbursable basis when appropriate, and on a similar basis to cooperate with such other agencies and instrumentalities in the establishment and use of services, equipment, and facilities of the Agency. The Administrator is further authorized to confer with and avail himself of the cooperation, services, records, and facilities of State, Territorial, municipal or other local agencies.

#### Administration of the Agency

##### Authorization of Expenditures and Travel

Sec. 303. (a) The Administrator is empowered to make such expenditures at the seat of government and elsewhere as may be necessary for the exercise and performance of the powers and duties vested in and imposed upon him by law, and as from time to time may be appropriated for by Congress, including expenditures for (1) rent and personal services at the seat of government and elsewhere; (2) travel expenses; (3) office furniture, equipment and supplies, law-books, newspapers, periodicals, and books of reference (including the exchange thereof); (4) printing and binding; (5) membership in and cooperation with such organizations as are related to, or are part of, the civil aeronautics industry or the art of aeronautics in the United States or in any foreign country; (6) payment of allowances and other benefits to employees stationed in foreign countries to the same extent as authorized from time to time for members of the Foreign Service of the United States of comparable grade; (7) making investigations and conducting studies in matters pertaining to aeronautics; and (8) acquisition (including exchange), operation and maintenance of passenger-carrying automobiles and aircraft, and such other property as is

necessary in the exercise and performance of the powers and duties of the Administrator: *Provided*, That no aircraft or motor vehicles, purchased under the provisions of this section, shall be used otherwise than for official business.

#### Supplies and Materials for Overseas Installations

(b) When appropriations for any fiscal year for the Agency have not been made prior to the first day of March preceding the beginning of such fiscal year, the Administrator may authorize such officer or officers as may be designated by him to incur obligations for the purchase and transportation of supplies and materials necessary to the proper execution of the Administrator's functions at installations outside the continental United States, including those in Alaska, in amounts not to exceed 75 percent of the amount that had been made available for such purposes for the fiscal year then current, payments of these obligations to be made from the appropriations for the next succeeding fiscal year when they become available.

#### Acquisition and Disposal of Property

(c) The Administrator, on behalf of the United States, is authorized, where appropriate: (1) to accept any conditional or unconditional gift or donation of money or other property, real or personal, or of services; (2) within the limits of available appropriations made by the Congress therefor, to acquire by purchase, condemnation, lease, or otherwise, real property or interests therein, including, in the case of air navigation facilities (including airports) owned by the United States and operated under the direction of the Administrator, easements through or other interests in airspace immediately adjacent thereto and needed in connection therewith: *Provided*, That the authority herein granted shall not include authority for the acquisition of space in buildings for use by the Federal Aviation Agency, suitable accommodations for which shall be provided by the Administrator of General Services, unless the Administrator of General Services determines, pursuant to section 1 (d) of Reorganization Plan No. 18, 1950 (64 Stat. 1270; 5 U. S. C. 1332-15 note), that the space to be acquired is to be utilized for the special purposes of the Federal Aviation Agency and is not generally suitable for the use of other agencies; (3) for adequate compensation, by sale, lease, or otherwise, to dispose of any real or personal property or interest therein: *Provided*, That, except for airport and airway property and technical equipment used for the special purposes of the Agency, such disposition shall be made in accordance with the Federal Property and Administrative Services Act of 1949, as amended; and (4) to construct, improve, or renovate laboratories and other test facilities and to purchase or otherwise acquire real property required therefor. Any such acquisition by condemnation may be made in accordance with the provisions of the act of August 1, 1888 (40 U. S. C. 257; 25 Stat. 357), the act of February 26, 1931 (40 U. S. C. 258a-258e; 46 Stat. 1421), or any other applicable act: *Provided*, That in the case of condemnations of easements through or other interests in airspace, in fixing condemnation awards, consideration may be given to the reasonable probable future use of the underlying land.

#### Delegation of Functions

(d) The Administrator may, subject to such regulations, supervision, and review as he may prescribe, from time to time make such provision as he shall deem appropriate authorizing the performance by any officer, employee, or administrative unit under his jurisdiction of any function under this act; or, with its consent, authorizing the performance by any other Federal department or agency of any function under section 307 (b) of this act.

#### Authority of President to transfer certain functions

Sec. 304. The President may transfer to the Administrator any functions (including powers, duties, activities, facilities, and parts of functions) of the Executive Departments or agencies of the Government or of any officer or organizational entity thereof which relate primarily to selecting, developing, testing, evaluation, establishing, operating and maintaining systems, procedures, facilities, or devices for safe and efficient air navigation and air traffic control. In connection with any such transfer, the President may provide for appropriate transfers of records, property, and for necessary civilian and military personnel to be made available from the other office, department, or other agency from which the transfer is made.

#### Fostering of air commerce

Sec. 305. The Administrator is empowered and directed to encourage and foster the development of civil aeronautics and air commerce in the United States and abroad.

#### National defense and civil needs

Sec. 306. In exercising the authority granted in, and discharging the duties imposed by, this act, the Administrator shall give full consideration to the requirements of national defense, and of commercial and general aviation, and to the public right of freedom of transit through the navigable airspace.

#### Airspace control and facilities

##### Use of Airspace

Sec. 307. (a) The Administrator is authorized and directed to develop plans for and formulate policy with respect to the use of the navigable airspace; and assign by rule, regulation, or order the use of the navigable airspace under such terms, conditions, and limitations as he may deem necessary in order to insure the safety of aircraft and the efficient utilization of such airspace. He may modify or revoke such assignment when required in the public interest.

##### Air Navigation Facilities

(b) The Administrator is authorized, within the limits of available appropriations made by the Congress, (1) to acquire, establish, and improve air-navigation facilities wherever necessary; (2) to operate and maintain such air-navigation facilities; (3) to arrange for publication of aeronautical maps and charts necessary for the safe and efficient movement of aircraft in air navigation utilizing the facilities and assistance of existing agencies of the Government so far as practicable; and (4) to provide necessary facilities and personnel for the regulation and protection of air traffic.

##### Air Traffic Rules

(c) The Administrator is further authorized and directed to prescribe air traffic rules and regulations governing the flight of aircraft, for the navigation, protection, and identification of aircraft, for the protection of persons and property on the ground, and for the efficient utilization of the navigable airspace, including rules as to safe altitudes of flight and rules for the prevention of collision between aircraft, between aircraft and land or water vehicles, and between aircraft and airborne objects.

#### Applicability of Administrative Procedure Act

(d) In the exercise of the rulemaking authority under subsections (a) and (c) of this section, the Administrator shall be subject to the provisions of the Administrative Procedure Act, notwithstanding any exception relating to military or naval functions in section 4 thereof.

#### Exemptions

(e) The Administrator from time to time may grant exemptions from the requirements of any rule or regulation prescribed under



this title if he finds that such action would be in the public interest.

#### Exception for Military Emergencies

(f) When it is essential to the defense of the United States because of a military emergency or urgent military necessity, and when appropriate military authority so determines, and when prior notice thereof is given to the Administrator, such military authority may authorize deviation by military aircraft of the national-defense forces of the United States from air-traffic rules issued pursuant to this title. Such prior notice shall be given to the Administrator at the earliest time practicable and, to the extent time and circumstances permit, every reasonable effort shall be made to consult fully with the Administrator and to arrange in advance for the required deviation from the rules on a mutually acceptable basis.

#### Expenditure of Federal funds for certain airports, etc.

##### Airports for Other Than Military Purposes

SEC. 308. (a) No Federal funds, other than those expended under this act, shall be expended, other than for military purposes (whether or not in cooperation with State or other local governmental agencies), for the acquisition, establishment, construction, alteration, repair, maintenance, or operation of any landing area, or for the acquisition, establishment, construction, maintenance, or operation of air-navigation facilities thereon, except upon written recommendation and certification by the Administrator, that such landing area or facility is reasonably necessary for use in air commerce or in the interests of national defense. Any interested person may apply to the Administrator, under regulations prescribed by him, for such recommendation and certification with respect to any landing area or air-navigation facility proposed to be established, constructed, altered, repaired, maintained, or operated by, or in the interests of, such person. There shall be no exclusive right for the use of any landing area or air-navigation facility upon which Federal funds have been expended.

#### Location of Airports, Landing Areas, and Missile and Rocket Sites

(b) In order to assure conformity to plans and policies for allocations of airspace by the Administrator under section 307 of this act, no military airport or landing area, or missile or rocket site, shall be acquired, established, or constructed, or any runway layout substantially altered, unless reasonable prior notice thereof is given the Administrator so that he may advise with the appropriate committees of the Congress and other interested agencies as to the effects of such acquisition, establishment, construction, or alteration on the use of airspace by aircraft. In case of a disagreement between the Administrator and the Department of Defense or the National Aeronautics and Space Administration, the matter may be appealed to the President for final determination.

#### Other airports

SEC. 309. In order to assure conformity to plans and policies for, and allocations of, airspace by the Administrator under section 307 of this act, no airport or landing area not involving expenditure of Federal funds shall be established, or constructed, or any runway layout substantially altered unless reasonable prior notice thereof is given the Administrator, pursuant to regulations prescribed by him, so that he may advise as to the effects of such construction on the use of airspace by aircraft.

#### Meteorological service

SEC. 310. The Administrator is empowered and directed to make recommendations to the Secretary of Commerce for providing meteorological service necessary for the safe

and efficient movement of aircraft in air commerce. In providing meteorological services, the Secretary of Commerce shall cooperate with the Administrator and give full consideration to such recommendations.

#### Collection and dissemination of information

SEC. 311. The Administrator is empowered and directed to collect and disseminate information relative to civil aeronautics (other than information collected and disseminated by the Board under titles IV and VII of this act); to study the possibilities of the development of air commerce and the aeronautical industry; and to exchange with foreign governments, through appropriate governmental channels, information pertaining to civil aeronautics.

#### Development planning

##### General

SEC. 312. (a) The Administrator is directed to make long-range plans for and formulate policy with respect to the orderly development and use of the navigable airspace, and the orderly development and location of landing areas, Federal airways, radar installations and all other aids and facilities for air navigation, as will best meet the needs of, and serve the interest of civil aeronautics and national defense, except for those needs of military agencies which are peculiar to air warfare and primarily of military concern.

##### Aircraft

(b) The Administrator is empowered to undertake or supervise such developmental work and service testing as tends to the creation of improved aircraft, aircraft engines, propellers, and appliances. For such purpose, the Administrator is empowered to make purchases (including exchange) by negotiation, or otherwise, of experimental aircraft, aircraft engines, propellers, and appliances, which seem to offer special advantages to aeronautics.

##### Research and Development

(c) The Administrator shall develop, modify, test, and evaluate systems, procedures, facilities, and devices, as well as define the performance characteristics thereof, to meet the needs for safe and efficient navigation and traffic control of all civil and military aviation except for those needs of military agencies which are peculiar to air warfare and primarily of military concern, and select such systems, procedures, facilities, and devices as will best serve such needs and will promote maximum coordination of air traffic control and air defense systems. Contracts may be entered into for this purpose without regard to section 3643 of the Revised Statutes, as amended (31 U. S. C. 529). When there is any substantial question as to whether a matter is of primary concern to the military, the Administrator is authorized and directed to determine whether he or the appropriate military agency shall have responsibility. Technical information concerning any research and development projects of the military agencies which have potential application to the needs of, or possible conflict with, the common system shall be furnished to the Administrator to the maximum extent necessary to insure that common system application potential is properly considered and potential future conflicts with the common system are eliminated.

#### Other powers and duties of Administrator

##### General

SEC. 313. (a) The Administrator is empowered to perform such acts, to conduct such investigations, to issue and amend such orders, and to make and amend such general or special rules, regulations, and procedures, pursuant to and consistent with the provisions of this act, as he shall deem necessary to carry out the provisions of,

and to exercise and perform his powers and duties under, this act.

#### Publications

(b) Except as may be otherwise provided in this act, the Administrator shall make a report in writing on all proceedings and investigations under this act in which formal hearings have been held, and shall state in such report his conclusions together with his decisions, order, or requirement in the premises. All such reports shall be entered of record and a copy thereof shall be furnished to all parties to the proceeding or investigation. The Administrator shall provide for the publication of such reports, and all other reports, orders, decisions, rules, and regulations issued by him under this act in such form and manner as may be best adapted for public information and use. Publications purporting to be published by the Administrator shall be competent evidence of the orders, decisions, rules, regulations, and reports of the Administrator therein contained in all courts of the United States, and of the several States, Territories, and possessions thereof, and the District of Columbia, without further proof or authentication thereof.

#### Power To Conduct Hearings and Investigations

(c) In the conduct of any public hearings or investigations authorized by this act or by the Federal Airport Act, the Administrator shall have the same powers to take evidence, issue subpoenas, take depositions, and compel testimony as are vested in members of the Board and its duly designated examiners by section 1004 of this act. Actions of the Administrator in such cases shall be governed by the procedures specified in section 1004 and be enforced in the manner provided therein.

#### Training Schools

(d) The Administrator is empowered to conduct a school or schools for the purpose of training employees of the Agency in those subjects necessary for the proper performance of all authorized functions of the Agency. He may also authorize attendance at courses given in such school or schools of other governmental personnel, and personnel of foreign governments, or personnel of the aeronautics industry: *Provided*, That in the event the attendance of such persons shall increase the cost of operation of such school or schools, the Administrator may require the payment or transfer of sufficient funds or other appropriate consideration to offset the additional costs. In providing any training to employees of the Agency or of other agencies of the Federal Government, the Administrator shall be subject to the provisions of the Government Employees Training Act (72 Stat. 327). Funds received by the Administrator hereunder may be credited (1) to appropriations current at the time the expenditures are to be or have been paid, (2) to appropriations current at the time such funds are received, or (3) in part as provided under clause (1) and in part as provided under clause (2).

#### Annual Report

(e) The Administrator shall submit to the President and to the Congress an annual report. Such report shall contain, in addition to a report of the work performed under this act, such information and data collected by the Administrator as may be considered of value in the determination of questions connected with the development and regulation of civil aeronautics, the utilization of national airspace, and the improvement of the air navigation and traffic control system, together with such recommendations as to additional legislation related thereto as the Administrator may deem necessary, and the Administrator may also transmit recommendations as to legislation at any other time.

### Delegation of powers and duties to private persons

#### Delegation by Administrator

Sec. 314. (a) In exercising the powers and duties vested in him by this act, the Administrator may, subject to such regulations, supervision, and review as he may prescribe, delegate to any properly qualified private person, or to any employee or employees under the supervision of such person, any work, business, or function respecting (1) the examination, inspection, and testing necessary to the issuance of certificates under title VI of this act, and (2) the issuance of such certificates in accordance with standards established by him. The Administrator may establish the maximum fees which such private persons may charge for their services and may rescind any delegation made by him pursuant to this subsection at any time and for any reason which he deems appropriate.

#### Application for Reconsideration

(b) Any person affected by any action taken by any private person exercising delegated authority under this section may apply for reconsideration of such action by the Administrator. The Administrator upon his own initiative, with respect to the authority granted under subsection (a), may reconsider the action of any private person either before or after it has become effective. If, upon reconsideration by the Administrator, it shall appear that the action in question is in any respect unjust or unwarranted, the Administrator shall reverse, change, or modify the same accordingly; otherwise such action shall be affirmed: *Provided*, That nothing in this subsection shall be construed as modifying, amending, or repealing any provisions of the Administrative Procedure Act.

### TITLE IV—AIR CARRIER ECONOMIC REGULATION

#### Certificate of public convenience and necessity

##### Certificate Required

Sec. 401. (a) No air carrier shall engage in any air transportation unless there is in force a certificate issued by the Board authorizing such air carrier to engage in such transportation.

##### Application for Certificate

(b) Application for a certificate shall be made in writing to the Board and shall be so verified, shall be in such form and contain such information, and shall be accompanied by such proof of service upon such interested persons, as the Board shall by regulation require.

##### Notice of Application

(c) Upon the filing of any such application, the Board shall give due notice thereof to the public by posting a notice of such application in the office of the Secretary of the Board and to such other persons as the Board may by regulation determine. Any interested person may file with the Board a protest or memorandum of opposition to or in support of the issuance of a certificate. Such application shall be set for public hearing, and the Board shall dispose of such application as speedily as possible.

##### Issuance of Certificate

(d) (1) The Board shall issue a certificate authorizing the whole or any part of the transportation covered by the application, if it finds that the applicant is fit, willing, and able to perform such transportation properly, and to conform to the provisions of this act and the rules, regulations, and requirements of the Board hereunder, and that such transportation is required by the public convenience and necessity; otherwise such application shall be denied.

(2) In the case of an application for a certificate to engage in temporary air transportation, the Board may issue a certificate

authorizing the whole or any part thereof for such limited periods as may be required by the public convenience and necessity, if it finds that the applicant is fit, willing, and able properly to perform such transportation and to conform to the provisions of this act and the rules, regulations, and requirements of the Board hereunder.

##### Terms and Conditions of Certificate

(e) Each certificate issued under this section shall specify the terminal points and intermediate points, if any, between which the air carrier is authorized to engage in air transportation and the service to be rendered; and there shall be attached to the exercise of the privileges granted by the certificate, or amendment thereto, such reasonable terms, conditions, and limitations as the public interest may require. A certificate issued under this section to engage in foreign air transportation shall, insofar as the operation is to take place without the United States, designate the terminal and intermediate points only insofar as the Board shall deem practicable, and otherwise shall designate only the general route or routes to be followed. Any air carrier holding a certificate for foreign air transportation shall be authorized to handle and transport mail of countries other than the United States. No term, condition, or limitation of a certificate shall restrict the right of an air carrier to add to or change schedules, equipment, accommodations, and facilities for performing the authorized transportation and service as the development of the business and the demands of the public shall require. No air carrier shall be deemed to have violated any term, condition, or limitation of its certificate by landing or taking off during an emergency at a point not named in its certificate or by operating in an emergency under regulations which may be prescribed by the Board, between terminal and intermediate points other than those specified in its certificate. Any air carrier may make charter trips or perform any other special service, without regard to the points named in its certificate, under regulations prescribed by the Board.

##### Effective Date and Duration of Certificate

(f) Each certificate shall be effective from the date specified therein, and shall continue in effect until suspended or revoked as hereinafter provided, or until the Board shall certify that operation thereunder has ceased, or, if issued for a limited period of time under subsection (d) (2) of this section, shall continue in effect until the expiration thereof, unless, prior to the date of expiration, such certificate shall be suspended or revoked as provided herein, or the Board shall certify that operations thereunder have ceased: *Provided*, That if any service authorized by a certificate is not inaugurated within such period, not less than 90 days, after the date of the authorization as shall be fixed by the Board, or if, for a period of 90 days or such other period as may be designated by the Board any such service is not operated, the Board may by order, entered after notice and hearing, direct that such certificate shall thereupon cease to be effective to the extent of such service.

##### Authority To Modify, Suspend, or Revoke

(g) The Board upon petition or complaint or upon its own initiative, after notice and hearings, may alter, amend, modify, or suspend any such certificate, in whole or in part, if the public convenience and necessity so require, or may revoke any such certificate, in whole or in part, for intentional failure to comply with any provision of this title or any order, rule, or regulation issued hereunder or any term, condition, or limitation of such certificate: *Provided*, That no such certificate shall be revoked unless the holder thereof fails to comply, within a rea-

sonable time to be fixed by the Board, with an order of the Board commanding obedience to the provision, or to the order (other than an order issued in accordance with this proviso), rule, regulation, term, condition, or limitation found by the Board to have been violated. Any interested person may file with the Board a protest or memorandum in support of or in opposition to the alteration, amendment, modification, suspension, or revocation of the certificate.

##### Transfer of Certificate

(h) No certificate may be transferred unless such transfer is approved by the Board as being consistent with the public interest. Certain Rights Not Conferred by Certificate

(i) No certificate shall confer any proprietary, property, or exclusive right in the use of any airspace, Federal airway, landing area, or air-navigation facility.

##### Application for Abandonment

(j) No air carrier shall abandon any route, or part thereof, for which a certificate has been issued by the Board, unless, upon the application of such air carrier, after notice and hearing, the Board shall find such abandonment to be in the public interest. Any interested person may file with the Board a protest or memorandum of opposition to or in support of any such abandonment. The Board may, by regulations or otherwise, authorize such temporary suspension of service as may be in the public interest.

##### Compliance With Labor Legislation

(k) (1) Every air carrier shall maintain rates of compensation, maximum hours, and other working conditions and relations of all of its pilots and copilots who are engaged in interstate air transportation within the continental United States (not including Alaska) so as to conform with decision numbered 83 made by the National Labor Board on May 10, 1934, notwithstanding any limitation therein as to the period of its effectiveness.

(2) Every air carrier shall maintain rates of compensation for all of its pilots and copilots who are engaged in overseas or foreign air transportation or air transportation wholly within a Territory or possession of the United States, the minimum of which shall be not less, upon an annual basis, than the compensation required to be paid under said decision 83 for comparable service to pilots and copilots engaged in interstate air transportation within the continental United States (not including Alaska).

(3) Nothing herein contained shall be construed as restricting the right of any such pilots or copilots, or other employees, of any such air carrier to obtain by collective bargaining higher rates of compensation or more favorable working conditions or relations.

(4) It shall be a condition upon the holding of a certificate by any air carrier that such carrier shall comply with title II of the Railway Labor Act, as amended.

(5) The term "pilot" as used in this subsection shall mean an employee who is responsible for the manipulation of or who manipulates the flight controls of an aircraft while under way including take-off and landing of such aircraft, and the term "copilot" as used in this subsection shall mean an employee any part of whose duty it is to assist or relieve the pilot in such manipulation, and who is properly qualified to serve as, and holds a currently effective airman certificate authorizing him to serve as such pilot or copilot.

##### Requirement as to Carriage of Mail

(l) Whenever so authorized by its certificate, any air carrier shall provide necessary and adequate facilities and service for the transportation of mail, and shall transport mail whenever required by the Postmaster General. Such air carrier shall be entitled to receive reasonable compensation therefor as hereinafter provided.



#### Application for New Mail Service

(m) Whenever, from time to time, the Postmaster General shall find that the needs of the Postal Service require the transportation of mail by aircraft between any points within the United States or between the United States and foreign countries, in addition to the transportation of mail authorized in certificates then currently effective, the Postmaster General shall certify such finding to the Board and file therewith a statement showing such additional service and the facilities necessary in connection therewith, and a copy of such certification and statement shall be posted for at least 20 days in the office of the secretary of the Board. The Board shall, after notice and hearing, and if found by it to be required by the public convenience and necessity, make provision for such additional service, and the facilities necessary in connection therewith, by issuing a new certificate or certificates or by amending an existing certificate or certificates in accordance with the provisions of this section.

#### Permits to foreign air carriers

##### Permit Required

SEC. 402. (a) No foreign air carrier shall engage in foreign air transportation unless there is in force a permit issued by the Board authorizing such carrier so to engage.

##### Issuance of Permit

(b) The Board is empowered to issue such a permit if it finds that such carrier is fit, willing, and able properly to perform such air transportation and to conform to the provisions of this act and the rules, regulations, and requirements of the Board hereunder, and that such transportation will be in the public interest.

##### Application for Permit

(c) Application for a permit shall be made in writing to the Board, shall be so verified, shall be in such form, and contain such information, and shall be accompanied by such proof of service upon such interested persons, as the Board shall by regulation require.

##### Notice of Application

(d) Upon the filing of an application for a permit the Board shall give due notice thereof to the public by posting a notice of such application in the office of the secretary of the Board and to such other persons as the Board may by regulation determine. Any interested person may file with the Board a protest or memorandum of opposition to or in support of the issuance of a permit. Such application shall be set for public hearing and the Board shall dispose of such application as speedily as possible.

##### Terms and Conditions of Permit

(e) The Board may prescribe the duration of any permit and may attach to such permit such reasonable terms, conditions, or limitations as, in its judgment, the public interest may require.

##### Authority to Modify, Suspend, or Revoke

(f) Any permit issued under the provisions of this section may, after notice and hearing, be altered, modified, amended, suspended, canceled, or revoked by the Board whenever it finds such action to be in the public interest. Any interested person may file with the Board a protest or memorandum in support of or in opposition to the alteration, modification, amendment, suspension, cancellation, or revocation of a permit.

##### Transfer of Permit

(g) No permit may be transferred unless such transfer is approved by the Board as being in the public interest.

#### Tariffs of air carriers

##### Filing of Tariffs Required

SEC. 403. (a) Every air carrier and every foreign air carrier shall file with the Board,

and print, and keep open to public inspection, tariffs showing all rates, fares, and charges for air transportation between points served by it, and between points served by it and points served by any other air carrier or foreign air carrier when through service and through rates shall have been established, and showing to the extent required by regulations of the Board, all classifications, rules, regulations, practices, and services in connection with such air transportation. Tariffs shall be filed, posted, and published in such form and manner, and shall contain such information, as the Board shall by regulation prescribe; and the Board is empowered to reject any tariff so filed which is not consistent with this section and such regulations. Any tariff so rejected shall be void. The rates, fares, and charges shown in any tariff shall be stated in terms of lawful money of the United States, but such tariffs may also state rates, fares, and charges in terms of currencies other than lawful money of the United States, and may, in the case of foreign air transportation, contain such information as may be required under the laws of any country in or to which an air carrier or foreign air carrier is authorized to operate.

##### Observance of Tariffs; Rebating Prohibited

(b) No air carrier or foreign air carrier shall charge or demand or collect or receive a greater or less or different compensation for air transportation, or for any service in connection therewith, than the rates, fares, and charges specified in its currently effective tariffs; and no air carrier or foreign air carrier shall, in any manner or by any device, directly or indirectly, or through any agent or broker, or otherwise, refund or remit any portion of the rates, fares, or charges so specified, or extend to any person any privileges or facilities, with respect to matters required by the Board to be specified in such tariffs, except those specified therein. Nothing in this act shall prohibit such air carriers or foreign air carriers, under such terms and conditions as the Board may prescribe, from issuing or interchanging tickets or passes for free or reduced-rate transportation to their directors, officers, and employees and their immediate families; witnesses and attorneys attending any legal investigation in which any such air carrier is interested; persons injured in aircraft accidents and physicians and nurses attending such persons; and any person or property with the object of providing relief in cases of general epidemic, pestilence, or other calamitous visitation; and, in the case of overseas or foreign air transportation, to such other persons and under such other circumstances as the Board may by regulations prescribe. Any air carrier or foreign air carrier, under such terms and conditions as the Board may prescribe, may grant reduced-rate transportation to ministers of religion on a space-available basis.

##### Notice of Tariff Change

(c) No change shall be made in any rate, fare, or charge, or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, specified in any effective tariff of any air carrier or foreign air carrier, except after 30 days' notice of the proposed change filed, posted, and published in accordance with subsection (a) of this section. Such notice shall plainly state the change proposed to be made and the time such change will take effect. The Board may, in the public interest, by regulation or otherwise, allow such change upon notice less than that herein specified, or modify the requirements of this section with respect to filing and posting of tariff, either in particular instances or by general order applicable to special or peculiar circumstances or conditions.

#### Filing of Divisions of Rates and Charges Required

(d) Every air carrier or foreign air carrier shall keep currently on file with the Board, if the Board so requires, the established divisions of all joint rates, fares, and charges for air transportation in which such air carrier or foreign air carrier participates.

#### Rates for carriage of persons and property Carrier's Duty To Provide Service, Rates, and Divisions

SEC. 404. (a) It shall be the duty of every air carrier to provide and furnish interstate and overseas air transportation, as authorized by its certificate, upon reasonable request therefor and to provide reasonable through service in such air transportation in connection with other air carriers; to provide safe and adequate service, equipment, and facilities in connection with such transportation; to establish, observe, and enforce just and reasonable individual and joint rates, fares, and charges, and just and reasonable classifications, rules, regulations, and practices relating to such air transportation; and, in case of such joint rates, fares, and charges, to establish just, reasonable, and equitable divisions thereof as between air carriers participating therein which shall not unduly prefer or prejudice any of such participating air carriers.

##### Discrimination

(b) No air carrier or foreign air carrier shall make, give, or cause any undue or unreasonable preference or advantage to any particular person, port, locality, or description of traffic in air transportation in any respect whatsoever or subject any particular person, port, locality, or description of traffic in air transportation to any unjust discrimination or any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

#### Transportation of mail

##### Postal Rules and Regulations

SEC. 405. (a) The Postmaster General is authorized to make such rules and regulations, not inconsistent with the provisions of this act, or any order, rule, or regulation made by the Board thereunder, as may be necessary for the safe and expeditious carriage of mail by aircraft.

##### Mail Schedules

(b) Each air carrier shall, from time to time, file with the Board and the Postmaster General a statement showing the points between which such air carrier is authorized to engage in air transportation, and all schedules, and all changes therein, of aircraft regularly operated by the carrier between such points, setting forth in respect of each such schedule the points served thereby and the time of arrival and departure at each such point. The Postmaster General may designate any such schedule for the transportation of mail between the points between which the air carrier is authorized by its certificate to transport mail, and may, by order, require the air carrier to establish additional schedules for the transportation of mail between such points. No change shall be made in any schedules designated or ordered to be established by the Postmaster General except upon 10 days' notice thereof filed as herein provided. The Postmaster General may by order disapprove any such change or alter, amend, or modify any such schedule or change. No order of the Postmaster General under this subsection shall become effective until 10 days after its issuance. Any person who would be aggrieved by any such order of the Postmaster General under this subsection may, before the expiration of such 10-day period, apply to the Board, under such regulations as it may prescribe, for a review of such order. The Board may review, and, if

the public convenience and necessity so require, amend, revise, suspend, or cancel such order; and, pending such review and the determination thereof, may postpone the effective date of such order. The Board shall give preference to proceedings under this subsection over all proceedings pending before it. No air carrier shall transport mail in accordance with any schedule other than a schedule designated or ordered to be established under this subsection for the transportation of mail.

#### Maximum Mail Load

(c) The Board may fix the maximum mail load for any schedule or for any aircraft or any type of aircraft; but, in the event that mail in excess of the maximum load is tendered by the Postmaster General for transportation by any air carrier in accordance with any schedule designated or ordered to be established by the Postmaster General under subsection (b) of this section for the transportation of mail, such air carrier shall, to the extent such air carrier is reasonably able as determined by the Board, furnish facilities sufficient to transport, and shall transport, such mail as nearly in accordance with such schedule as the Board shall determine to be possible.

#### Tender of Mail

(d) From and after the issuance of any certificate authorizing the transportation of mail by aircraft, the Postmaster General shall tender mail to the holder thereof, to the extent required by the postal service, for transportation between the points named in such certificate for the transportation of mail, and such mail shall be transported by the air carrier holding such certificate in accordance with such rules, regulations, and requirements as may be promulgated by the Postmaster General under this section.

#### Foreign Postal Arrangement

(e) (1) Nothing in this act shall be deemed to abrogate or affect any arrangement made by the United States with the postal administration of any foreign country with respect to transportation of mail by aircraft, or to impair the authority of the Postmaster General to enter into any such arrangement with the postal administration of any foreign country.

(2) The Postmaster General may, in any case where service may be necessary by a person not a citizen of the United States who may not be obligated to transport the mail for a foreign country, make arrangements, without advertising, with such person for transporting mail by aircraft to or within any foreign country.

#### Transportation of Foreign Mail

(f) (1) Any air carrier holding a certificate to engage in foreign air transportation and transporting mails of foreign countries shall transport such mails subject to control and regulation by the United States. The Postmaster General shall from time to time fix the rates of compensation that shall be charged the respective foreign countries for the transportation of their mails by such air carriers, and such rates shall be put into effect by the Postmaster General in accordance with the provisions of the postal convention regulating the postal relations between the United States and the respective foreign countries, or as provided hereinafter in this subsection. In any case where the Postmaster General deems such action to be in the public interest, he may approve rates provided in arrangements between any such air carrier and any foreign country covering the transportation of mails of such country, under which mails of such country have been carried on scheduled operations prior to January 1, 1938, or in extensions or modifications of such arrangements, and may permit any such air carrier to enter into arrangements with any foreign country for

the transportation of its mails at rates fixed by the Postmaster General in advance of the making of any such arrangement. The Postmaster General may authorize any such air carrier, under such limitations as the Postmaster General may prescribe, to change the rates to be charged any foreign country for the transportation of its mails by such air carrier within that country or between that country and another foreign country.

(2) In any case where such air carrier has an arrangement with any foreign country for transporting its mails, made or approved in accordance with the provisions of subdivision (1) of this subsection, it shall collect its compensation from the foreign country under its arrangement, and in case of the absence of any arrangement between the air carrier and the foreign country consistent with this subsection, the collections made from the foreign country by the United States shall be for the account of such air carrier: *Provided*, That no such air carrier shall be entitled to receive compensation both from such foreign country and from the United States in respect of the transportation of the same mail or the same mails of foreign countries.

#### Evidence of Performance of Mail Service

(g) Air carriers transporting or handling United States mail shall submit, under signature of a duly authorized official, when and in such form as may be required by the Postmaster General, evidence of the performance of mail service; and air carriers transporting or handling mails of foreign countries shall submit, under signature of a duly authorized official, when and in such form as may be required by the Postmaster General, evidence of the amount of such mails transported or handled, and the compensation payable and received therefor.

(h) In the event of emergency caused by flood, fire, or other calamitous visitation, the Postmaster General is authorized to contract, without advertising, for the transportation by aircraft of any or all classes of mail to or from localities affected by such calamity, where available facilities of persons authorized to transport mail to or from such localities are inadequate to meet the requirements of the Postal Service during such emergency. Such contracts may be only for such periods as may be necessitated, for the maintenance of mail service, by the inadequacy of such other facilities. No operation pursuant to any such contract, for such period, shall be air transportation within the purview of this act. Payment of compensation for service performed under such contracts shall be made, at rates provided in such contracts, from appropriations for the transportation of mail by the means normally used for transporting the mail transported under such contracts.

#### Experimental Airmail Service

(i) Nothing contained in this act shall be construed to repeal in whole or in part the provisions of section 6 of the act entitled "An act to provide for experimental airmail service, to further develop safety, efficiency, economy, and for other purposes", approved April 15, 1938, as amended. The transportation of mail under contracts entered into under such section shall not, except for sections 401 (k) and 416 (b), be deemed to be air transportation as used in this act, and the rates of compensation for such transportation of mail shall not be fixed under this act.

#### Free Travel for Postal Employees

(j) Every air carrier carrying the mails shall carry on any plane that it operates and without charge therefor, the persons in charge of the mails when on duty, and such duly accredited agents and officers of the Post Office Department, and post office inspectors, while traveling on official business relating to the transportation of mail by air-

craft, as the Board may by regulation prescribe, upon the exhibition of their credentials.

#### Rates for transportation of mail Authority To Fix Rates

Sec. 406. (a) The Board is empowered and directed, upon its own initiative or upon petition of the Postmaster General or an air carrier, (1) to fix and determine from time to time, after notice and hearing, the fair and reasonable rates of compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith (including the transportation of mail by an air carrier by other means than aircraft whenever such transportation is incidental to the transportation of mail by aircraft or is made necessary by conditions of emergency arising from aircraft operation), by each holder of a certificate authorizing the transportation of mail by aircraft, and to make such rates effective from such date as it shall determine to be proper; (2) to prescribe the method or methods, by aircraft-mile, pound-mile, weight, space, or any combination thereof, or otherwise, for ascertaining such rates of compensation for each air carrier or class of air carriers; and (3) to publish the same; and the rates so fixed and determined shall be paid by the Postmaster General from appropriations for the transportation of mail by aircraft.

#### Ratemaking Elements

(b) In fixing and determining fair and reasonable rates of compensation under this section, the Board, considering the conditions peculiar to transportation by aircraft and to the particular air carrier or class of air carriers, may fix different rates for different air carriers or classes of air carriers, and different classes of service. In determining the rate in each case, the Board shall take into consideration, among other factors, the condition that such air carriers may hold and operate under certificates authorizing the carriage of mail only by providing necessary and adequate facilities and service for the transportation of mail; and such standards respecting the character and quality of service to be rendered by air carriers as may be prescribed by or pursuant to law; and the need of each such air carrier for compensation for the transportation of mail sufficient to insure the performance of such service, and, together with all other revenue of the air carrier, to enable such air carrier under honest, economical, and efficient management, to maintain and continue the development of air transportation to the extent and of the character and quality required for the commerce of the United States, the Postal Service, and the national defense.

#### Reorganization Plan No. 10 of 1953

(c) Nothing in this section shall be construed to repeal, amend, or modify the provisions of Reorganization Plan No. 10 of 1953 (67 Stat. 644); and such plan shall apply with respect to the operation of this section as it has applied with respect to the operation of section 406 of the Civil Aeronautics Act of 1938.

#### Treatment of Proceeds of Sale of Certain Property

(d) In determining the need of an air carrier for compensation for the transportation of mail, and such carrier's "other revenue" for the purpose of this section the Board shall not take into account—

(1) gains derived from the sale or other disposition of flight equipment if (A) the carrier notifies the Board in writing that it has invested or intends to reinvest the gains (less applicable expenses and taxes) derived from such sale or other disposition in flight equipment, and (B) submits evidence in the manner prescribed by the Board that an amount equal to such gains (less applicable expenses and taxes) has been expended for



purchase of flight equipment or has been deposited in a special reequipment fund, or

(2) losses sustained from this sale or other disposition of flight equipment.

Any amounts so deposited in a reequipment fund as above provided shall be used solely for investment in flight equipment either through payments on account of the purchase price or construction of flight equipment or in retirement of debt contracted for the purchase or construction of flight equipment, and unless so reinvested within such reasonable time as the Board may prescribe, the carrier shall not have the benefit of this paragraph. Amounts so deposited in the reequipment fund shall not be included as part of the carrier's used and useful investment for purposes of section 406 until expended as provided above: *Provided*, That the flight equipment in which said gains may be invested shall not include equipment delivered to the carrier prior to April 6, 1956: *Provided further*, That the provisions of this subsection shall be effective as to all capital gains or losses realized on and after April 6, 1956, with respect to the sale or other disposition of flight equipment whether or not the Board shall have entered a final order taking account thereof in determining all other revenue of the air carrier.

#### Statement of Postmaster General and Carrier

(e) Any petition for the fixing of fair and reasonable rates of compensation under this section shall include a statement of the rate the petitioner believes to be fair and reasonable. The Postmaster General shall introduce as part of the record in all proceedings under this section a comprehensive statement of all service to be required of the air carrier and such other information in his possession as may be deemed by the Board to be material to the inquiry.

#### Weighing of Mail

(f) The Postmaster General may weigh the mail transported by aircraft and make such computations for statistical and administrative purposes as may be required in the interest of the mail service. The Postmaster General is authorized to employ such clerical and other assistance as may be required in connection with proceedings under this act. If the Board shall determine that it is necessary or advisable, in order to carry out the provisions of this act, to have additional and more frequent weighing of the mails, the Postmaster General, upon request of the Board, shall provide therefor in like manner, but such weighing need not be for continuous periods of more than 30 days.

#### Availability of Appropriations

(g) Except as otherwise provided in section 405 (h), the unexpended balances of all appropriations for the transportation of mail by aircraft pursuant to contracts entered into under the Air Mail Act of 1934, as amended, and the unexpended balances of all appropriations available for the transportation of mail by aircraft in Alaska, shall be available, in addition to the purposes stated in such appropriations, for the payment of compensation by the Postmaster General, as provided in this act, for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between points in the continental United States or between points in Hawaii or in Alaska or between points in the continental United States and points in Canada within 150 miles of the international boundary line. Except as otherwise provided in section 405 (h), the unexpended balances of all appropriations for the transportation of mail by aircraft pursuant to contracts entered into under the act of March 8, 1928, as amended, shall be available, in addition to the purposes stated in such appropriations, for payment to be made

by the Postmaster General, as provided by this act, in respect of the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between points in the United States and points outside thereof, or between points in the continental United States and Territories or possession of the United States, or between Territories or possessions of the United States.

#### Payments to Foreign Air Carriers

(h) In any case where air transportation is performed between the United States and any foreign country, both by aircraft owned or operated by one or more air carriers holding a certificate under this title and by aircraft owned or operated by one or more foreign air carriers, the Postmaster General shall not pay to or for the account of any such foreign air carrier a rate of compensation for transporting mail by aircraft between the United States and such foreign country, which, in his opinion, will result (over such reasonable period as the Postmaster General may determine, taking account of exchange fluctuations and other factors) in such foreign air carrier receiving a higher rate of compensation for transporting such mail than such foreign country pays to air carriers for transporting its mail by aircraft between such foreign country and the United States, or receiving a higher rate of compensation for transporting such mail than a rate determined by the Postmaster General to be comparable to the rate such foreign country pays to air carriers for transporting its mail by aircraft between such foreign country and an intermediate country on the route of such air carrier between such foreign country and the United States.

#### Accounts, records, and reports

##### Filing of Reports

SEC. 407. (a) The Board is empowered to require annual, monthly, periodical, and special reports from any air carrier; to prescribe the manner and form in which such reports shall be made; and to require from any air carrier specific answers to all questions upon which the Board may deem information to be necessary. Such reports shall be under oath whenever the Board so requires. The Board may also require any air carrier to file with it a true copy of each or any contract, agreement, understanding, or arrangement, between such air carrier and any other carrier or person, in relation to any traffic affected by the provisions of this act.

##### Disclosure of Stockownership

(b) Each air carrier shall submit annually, and at each other times as the Board shall require, a list showing the names of each of its stockholders or members holding more than 5 percent of the entire capital stock or capital, as the case may be, of such air carrier, together with the name of any person for whose account, if other than the holder, such stock is held; and a report setting forth a description of the shares of stock, or other interest, held by such air carrier, or for its account, in persons other than itself.

##### Disclosure of Stockownership by Officer or Director

(c) Each officer and director of an air carrier shall annually and at such other times as the Board shall require transmit to the Board a report describing the shares of stock or other interests held by him in any air carrier, any person engaged in any phase of aeronautics, or any common carrier, and in any person whose principal business, in purpose or in fact, is the holding of stock in, or control of, air carriers, other persons engaged in any phase of aeronautics, or common carriers.

#### Form of Accounts

(d) The Board shall prescribe the forms of any and all accounts, records, and memorandums to be kept by air carriers, including the accounts, records, and memorandums of the movement of traffic, as well as of the receipts and expenditures of money, and the length of time such accounts, records, and memorandums shall be preserved; and it shall be unlawful for air carriers to keep any accounts, records, or memorandums other than those prescribed or approved by the Board: *Provided*, That any air carrier may keep additional accounts, records, or memorandums if they do not impair the integrity of the accounts, records, or memorandums prescribed or approved by the Board and do not constitute an undue financial burden on such air carrier.

#### Inspection of Accounts and Property

(e) The Board shall at all times have access to all lands, buildings, and equipment of any carrier and to all accounts, records, and memorandums, including all documents, papers, and correspondence, now or hereafter existing, and kept or required to be kept by air carriers; and it may employ special agents or auditors, who shall have authority under the orders of the Board to inspect and examine any and all such lands, buildings, equipment, accounts, records, and memorandums. The provisions of this section shall apply, to the extent found by the Board to be reasonably necessary for the administration of this act, to persons having control over any air carrier, or affiliated with any air carrier within the meaning of section 5 (8) of the Interstate Commerce Act, as amended.

#### Consolidation, merger, and acquisition of control

##### Acts Prohibited

SEC. 408. (a) It shall be unlawful unless approved by order of the Board as provided in this section—

(1) For two or more air carriers, or for any air carrier and any other common carrier or any person engaged in any other phase of aeronautics, to consolidate or merge their properties, or any part thereof, into one person for the ownership, management, or operation of the properties theretofore in separate ownerships;

(2) For any air carrier, any person controlling an air carrier, any other common carrier, or any person engaged in any other phase of aeronautics, to purchase, lease, or contract to operate the properties, or any substantial part thereof, of any air carrier;

(3) For any air carrier or person controlling an air carrier to purchase, lease, or contract, to operate the properties, or any substantial part thereof, of any person engaged in any phase of aeronautics otherwise than as an air carrier;

(4) For any foreign air carrier or person controlling a foreign air carrier to acquire control, in any manner whatsoever, of any citizen of the United States engaged in any phase of aeronautics;

(5) For any air carrier or person controlling an air carrier, any other common carrier, or any person engaged in any other phase of aeronautics, to acquire control of any air carrier in any manner whatsoever;

(6) For any air carrier or person controlling an air carrier to acquire control, in any manner whatsoever, of any person engaged in any phase of aeronautics otherwise than as an air carrier; or

(7) For any person to continue to maintain any relationship established in violation of any of the foregoing subdivisions of this subsection.

##### Power of Board

(b) Any person seeking approval of a consolidation, merger, purchase, lease, operating contract, or acquisition of control, specified in subsection (a) of this section, shall present an application to the Board, and

thereupon the Board shall notify the persons involved in the consolidation, merger, purchase, lease, operating contract, or acquisition of control, and other persons known to have a substantial interest in the proceeding, of the time and place of a public hearing. Unless, after such hearing, the Board finds that the consolidation, merger, purchase, lease, operating contract, or acquisition of control will not be consistent with the public interest or that the conditions of this section will not be fulfilled, it shall by order, approve such consolidation, merger, purchase, lease, operating contract, or acquisition of control, upon such terms and conditions as it shall find to be just and reasonable and with such modifications as it may prescribe: *Provided*, That the Board shall not approve any consolidation, merger, purchase, lease, operating contract, or acquisition of control which would result in creating a monopoly or monopolies and thereby restrain competition or jeopardize another air carrier not a party to the consolidation, merger, purchase, lease, operating contract, or acquisition of control: *Provided further*, That if the applicant is a carrier other than an air carrier, or a person controlled by a carrier other than an air carrier or affiliated therewith within the meaning of section 5 (8) of the Interstate Commerce Act, as amended, such applicant shall for the purposes of this section be considered an air carrier and the Board shall not enter such an order of approval unless it finds that the transaction proposed will promote the public interest by enabling such carrier other than an air carrier to use aircraft to public advantage in its operation and will not restrain competition.

#### Interests in Ground Facilities

(c) The provisions of this section and section 409 shall not apply with respect to the acquisition or holding by any air carrier, or any officer or director thereof, of (1) any interest in any ticket office, landing area, hangar, or other ground facility reasonably incidental to the performance by such air carrier or any of its services, or (2) any stock or other interest or any office or directorship in any person whose principal business is the maintenance or operation of any such ticket office, landing area, hangar, or other ground facility.

#### Jurisdiction of Accounts of Noncarriers

(d) Whenever, after the effective date of this section, a person, not an air carrier, is authorized, pursuant to this section, to acquire control of an air carrier, such person thereafter shall, to the extent found by the Board to be reasonably necessary for the administration of this act, be subject, in the same manner as if such person were an air carrier, to the provisions of this act relating to accounts, records, and reports, and the inspection of facilities and records, including the penalties applicable in the case of violations thereof.

#### Investigation of Violations

(e) The Board is empowered, upon complaint or upon its own initiative, to investigate and, after notice and hearing, to determine whether any person is violating any provision of subsection (a) of this section. If the Board finds after such hearing that such person is violating any provision of such subsection, it shall by order require such person to take such action, consistent with the provisions of this act, as may be necessary, in the opinion of the Board, to prevent further violation of such provision.

#### Prohibited interests

##### Interlocking Relationships

SEC. 409. (a) It shall be unlawful, unless such relationship shall have been approved by order of the Board upon due showing, in the form and manner prescribed by the Board, that the public interest will not be adversely affected thereby—

(1) For any air carrier to have and retain an officer or director who is an officer, director, or member, or who as a stockholder holds a controlling interest, in any other person who is a common carrier or is engaged in any phase of aeronautics.

(2) For any air carrier, knowingly and willfully, to have and retain an officer or director who has a representative or nominee who represents such officer or director as an officer, director, or member, or as a stockholder holding a controlling interest, in any other person who is a common carrier or is engaged in any phase of aeronautics.

(3) For any person who is an officer or director of an air carrier to hold the position of officer, director, or member, or to be a stockholder holding a controlling interest, or to have a representative or nominee who represents such person as an officer, director, or member, or as a stockholder holding a controlling interest, in any other person who is a common carrier or is engaged in any phase of aeronautics.

(4) For any air carrier to have and retain an officer or director who is an officer, director, or member, or who as a stockholder, holds a controlling interest, in any person whose principal business, in purpose or in fact, is the holding of stock in, or control of, any other person engaged in any phase of aeronautics.

(5) For any air carrier, knowingly and willfully, to have and retain an officer or director who has a representative or nominee who represents such officer or director as an officer, director, or member, or as a stockholder holding a controlling interest, in any person whose principal business, in purpose or in fact, is the holding of stock in, or control of, any other person engaged in any phase of aeronautics.

(6) For any person who is an officer or director of an air carrier to hold the position of officer, director, or member, or to be a stockholder holding a controlling interest, or to have a representative or nominee who represents such person as an officer, director, or member, or as a stockholder holding a controlling interest, in any person whose principal business, in purpose or in fact, is the holding of stock in, or control of, any other person engaged in any phase of aeronautics.

#### Profit From Transfer of Securities

(b) It shall be unlawful for any officer or director of any air carrier to receive for his own benefit, directly or indirectly, any money or thing of value in respect of negotiation, hypothecation, or sale of any securities issued or to be issued by such carrier, or to share in any of the proceeds thereof.

#### Loans and financial aid

SEC. 410. The Board is empowered to approve or disapprove, in whole or in part, any and all applications made after the effective date of this section for or in connection with any loan or other financial aid from the United States or any agency thereof to, or for the benefit of, any air carrier. No such loan or financial aid shall be made or given without such approval, and the terms and conditions upon which such loan or financial aid is provided shall be prescribed by the Board.

#### Methods of competition

SEC. 411. The Board may, upon its own initiative or upon complaint by any air carrier, foreign air carrier, or ticket agent, if it considers that such action by it would be in the interest of the public, investigate and determine whether any air carrier, foreign air carrier, or ticket agent has been or is engaged in unfair or deceptive practices or unfair methods of competition in air transportation or the sale thereof. If the Board shall find, after notice and hearing, that such air carrier, foreign air carrier, or ticket agent is engaged in such unfair or deceptive

practices or unfair methods of competition, it shall order such air carrier, foreign air carrier, or ticket agent to cease and desist from such practices or methods of competition.

#### Pooling and other agreements

##### Filing of Agreements Required

SEC. 412. (a) Every air carrier shall file with the Board a true copy, or, if oral, a true and complete memorandum, of every contract or agreement (whether enforceable by provisions for liquidated damages, penalties, bonds, or otherwise) affecting air transportation and in force on the effective date of this section or hereafter entered into, or any modification or cancellation thereof, between such air carrier and any other air carrier, foreign air carrier, or other carrier for pooling or apportioning earnings, losses, traffic, service, or equipment, or relating to the establishment of transportation rates, fares, charges, or classifications, or for preserving and improving safety, economy, and efficiency of operation, or for controlling, regulating, preventing, or otherwise eliminating destructive, oppressive, or wasteful competition, or for regulating stops, schedules, and character of service, or for other cooperative working arrangements.

##### Approved by Board

(b) The Board shall by order disapprove any such contract or agreement, whether or not previously approved by it, that it finds to be adverse to the public interest, or in violation of this act, and shall by order approve any such contract or agreement, or any modification or cancellation thereof, that it does not find to be adverse to the public interest, or in violation of this act; except that the Board may not approve any contract or agreement between an air carrier not directly engaged in the operation of aircraft in air transportation and a common carrier subject to the Interstate Commerce Act, as amended, governing the compensation to be received by such common carrier for transportation services performed by it.

##### Form of control

SEC. 413. For the purposes of this title, whenever reference is made to control, it is immaterial whether such control is direct or indirect.

##### Legal restraints

SEC. 414. Any person affected by any order made under sections 408, 409, or 412 of this act shall be, and is hereby, relieved from the operations of the "antitrust laws", as designated in section 1 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, and of all other restraints or prohibitions made by, or imposed under, authority of law, insofar as may be necessary to enable such person to do anything authorized, approved, or required by such order.

##### Inquiry into air carrier management

SEC. 415. For the purposes of exercising and performing its powers and duties under this act, the Board is empowered to inquire into the management of the business of any air carrier and, to the extent reasonably necessary for any such inquiry, to obtain from such carrier, and from any person controlling or controlled by, or under common control with, such air carrier, full and complete reports and other information.

##### Classification and exemption of carriers

##### Classification

SEC. 416. (a) The Board may from time to time establish such just and reasonable classifications or groups of air carriers for the purposes of this title as the nature of the services performed by such air carriers shall require; and such just and reasonable rules, and regulations, pursuant to and consistent



with the provisions of this title, to be observed by each such class or group, as the Board finds necessary in the public interest.

#### Exemptions

(b) (1) The Board, from time to time and to the extent necessary, may (except as provided in paragraph (2) of this subsection) exempt from the requirements of this title or any provision thereof, or any rule, regulation, term, condition, or limitation prescribed thereunder, any air carrier or class of air carriers, if it finds that the enforcement of this title or such provision, or such rule, regulation, term, condition, or limitation is or would be an undue burden on such air carrier or class of air carriers by reason of the limited extent of, or unusual circumstances affecting, the operations of such air carrier or class of air carriers and is not in the public interest.

(2) The Board shall not exempt any air carrier from any provision of subsection (k) of section 401 of this title, except that (A) any air carrier not engaged in scheduled air transportation, and (B), to the extent that the operations of such air carrier are conducted during daylight hours, any air carrier engaged in scheduled air transportation, may be exempted from the provisions of paragraphs (1) and (2) of such subsection if the Board finds, after notice and hearing, that, by reason of the limited extent of, or unusual circumstances affecting, the operations of any such air carrier, the enforcement of such paragraph is or would be of such an undue burden on such air carrier as to obstruct its development and prevent it from beginning or continuing operations, and that the exemption of such air carrier from such paragraphs would not adversely affect the public interest: *Provided*, That nothing in this subsection shall be deemed to authorize the Board to exempt any air carrier from any requirement of this title, or any provision thereof, or any rule, regulation, term, condition, or limitation prescribed thereunder which provides for maximum flying hours for pilots or copilots.

#### TITLE V—NATIONALITY AND OWNERSHIP OF AIRCRAFT

##### Registration of aircraft nationality

##### Registration Required

SEC. 501. (a) It shall be unlawful for any person to operate or navigate any aircraft eligible for registration if such aircraft is not registered by its owner as provided in this section, or (except as provided in section 1108 of this act) to operate or navigate within the United States any aircraft not eligible for registration: *Provided*, That aircraft of the national-defense forces of the United States may be operated and navigated without being so registered if such aircraft are identified, by the agency having jurisdiction over them, in a manner satisfactory to the Administrator. The Administrator may, by regulation, permit the operation and navigation of aircraft without registration by the owner for such reasonable periods after transfer of ownership thereof as the Administrator may prescribe.

##### Eligibility for Registration

(b) An aircraft shall be eligible for registration if, but only if—

(1) It is owned by a citizen of the United States and is not registered under the laws of any foreign country; or

(2) It is an aircraft of the Federal Government, or of a State, Territory, or possession of the United States, or the District of Columbia, or of a political subdivision thereof.

##### Issuance of Certificate

(c) Upon request of the owner of any aircraft eligible for registration, such aircraft shall be registered by the Administrator and the Administrator shall issue to the owner thereof a certificate of registration.

#### Applications

(d) Applications for such certificates shall be in such form, be filed in such manner, and contain such information as the Administrator may require.

#### Suspension or Revocation

(e) Any such certificate may be suspended or revoked by the Administrator for any cause which renders the aircraft ineligible for registration.

#### Effect of Registration

(f) Such certificate shall be conclusive evidence of nationality for international purposes, but not in any proceeding under the laws of the United States. Registration shall not be evidence of ownership of aircraft in any proceeding in which such ownership by a particular person is, or may be, in issue.

#### Registration of engines, propellers, and appliances

SEC. 502. The Administrator may establish reasonable rules and regulations for registration and identification of aircraft engines, propellers, and appliances, in the interest of safety, and no aircraft engine, propeller, or appliance shall be used in violation of any such rule or regulation.

#### Recording of aircraft ownership

##### Establishment of Recording System

SEC. 503. (a) The Administrator shall establish and maintain a system for the recording of each and all of the following:

(1) Any conveyance which affects the title to, or any interest in, any civil aircraft of the United States;

(2) Any lease, and any mortgage, equipment trust, contract of conditional sale, or other instrument executed for security purposes, which lease or other instrument affects the title to, or any interest in, any specifically identified aircraft engine or engines of 750 or more rated take-off horsepower for each such engine or the equivalent of such horsepower, and also any assignment or amendment thereof or supplement thereto;

(3) Any lease, and any mortgage, equipment trust, contract of conditional sale, or other instrument executed for security purposes, which lease or other instrument affects the title to, or any interest in, any aircraft engines, propellers, or appliances maintained by or on behalf of an air carrier certificated under section 604 (b) of this act for installation or use in aircraft, aircraft engines, or propellers, or any spare parts maintained by or on behalf of such an air carrier, which instrument need only describe generally by types the engines, propellers, appliances, and spare parts covered thereby and designate the location or locations thereof; and also any assignment or amendment thereof or supplement thereto.

#### Recording of Releases

(b) The Administrator shall also record under the system provided for in subsection (a) of this section any release, cancellation, discharge, or satisfaction relating to any conveyance or other instrument recorded under said system.

#### Conveyances To Be Recorded

(c) No conveyance or instrument the recording of which is provided for by section 503 (a) shall be valid in respect of such aircraft, aircraft engine or engines, propellers, appliances, or spare parts against any person other than the person by whom the conveyance or other instrument is made or given, his heir or devisee, or any person having actual notice thereof, until such conveyance or other instrument is filed for recordation in the office of the Administrator: *Provided*, That previous recording of any conveyance or instrument with the Administrator of the Civil Aeronautics Administration under the provisions of the Civil

Aeronautics Act of 1938 shall have the same force and effect as though recorded as provided herein; and conveyances, the recording of which is provided for by section 503 (a) (1) made on or before August 21, 1938, and instruments, the recording of which is provided for by section 503 (a) (2) and 504 (a) (3) made on or before June 19, 1948, shall not be subject to the provisions of this subsection.

#### Effect of Recording

(d) Each conveyance or other instrument recorded by means of or under the system provided for in subsection (a) or (b) of this section shall from the time of its filing for recordation be valid as to all persons without further or other recordation, except that an instrument recorded pursuant to section 503 (a) (3) shall be effective only with respect to those of such items which may from time to time be situated at the designated location or locations and only while so situated: *Provided*, That an instrument recorded under section 503 (a) (2) shall not be affected as to the engine or engines specifically identified therein, by any instrument theretofore or thereafter recorded pursuant to section 503 (a) (3).

#### Form of Conveyances

(e) No conveyance or other instrument shall be recorded unless it shall have been acknowledged before a notary public or other officer authorized by the law of the United States, or of a State, Territory, or possession thereof, or the District of Columbia, to take acknowledgment of deeds.

#### Index of Conveyances

(f) The Administrator shall keep a record of the time and date of the filing of conveyances and other instruments with him and of the time and date of recordation thereof. He shall record conveyances and other instruments filed with him in the order of their reception, in files to be kept for that purpose, and indexed according to—

(1) the identifying description of the aircraft or aircraft engine, or in the case of an instrument referred to in section 503 (a) (3), the location or locations specified therein; and

(2) the names of the parties to the conveyance or other instrument.

#### Regulations

(g) The Administrator is authorized to provide by regulation for the endorsement upon certificates of registration, or aircraft certificates, of information with respect to the ownership of the aircraft for which each certificate is issued, the recording of discharges and satisfactions of recorded instruments, and other transactions affecting title to or interest in aircraft, aircraft engines, propellers, appliances, or parts, and for such other records, proceedings, and details as may be necessary to facilitate the determination of the rights of parties dealing with civil aircraft of the United States, aircraft engines, propellers, appliances, or parts.

#### Previously Unrecorded Ownership

(h) The person applying for the issuance or renewal of an airworthiness certificate for an aircraft with respect to which there has been no recordation of ownership as provided in this section shall present with his application such information with respect to the ownership of the aircraft as the Administrator shall deem necessary to show the persons who are holders of property interests in such aircraft and the nature and extent of such interests.

#### Limitation of security owners liability

SEC. 504. No person having a security interest in, or security title to, any civil aircraft under a contract of conditional sale, equipment trust, chattel or corporate mortgage, or other instrument of similar nature,

and no lessor of any such aircraft, under a bona fide lease of 30 days or more, shall be liable by reason of such interest or title, or by reason of his interest as lessor or owner of the aircraft so leased, for any injury to, or death of persons, or damage to or loss of property, on the surface of the earth (whether on land or water) caused by such aircraft, or by the ascent, descent, or flight of such aircraft or by the dropping or falling of an object therefrom, unless such aircraft is in the actual possession or control of such person at the time of such injury, death, damage, or loss.

#### Dealers' Aircraft Registration Certificates

SEC. 505. The Administrator may, by such reasonable regulations as he may find to be in the public interest, provide for the issuance, and for the suspension or revocation, of dealers' aircraft registration certificates, and for their use in connection with aircraft eligible for registration under this act by persons engaged in the business of manufacturing, distributing, or selling aircraft. Aircraft owned by holders of dealers' aircraft registration certificates shall be deemed registered under this act to the extent that the Administrator may, by regulation, provide. It shall be unlawful for any person to violate any regulation, or any term, condition, or limitation contained in any certificate, issued under this section.

#### TITLE VI—SAFETY REGULATION OF CIVIL AERONAUTICS

##### General safety powers and duties

#### Minimum Standards, Rules and Regulations

SEC. 601. (a) The Administrator is empowered and it shall be his duty to promote safety of flight of civil aircraft in air commerce by prescribing and revising from time to time:

(1) Such minimum standards governing the design, materials, workmanship, construction, and performance of aircraft, aircraft engines, and propellers as may be required in the interest of safety;

(2) Such minimum standards governing appliances as may be required in the interest of safety;

(3) Reasonable rules and regulations and minimum standards governing, in the interest of safety, (A) the inspection, servicing, and overhaul of aircraft, aircraft engines, propellers, and appliances; (B) the equipment and facilities for such inspection, servicing, and overhaul; and (C) in the discretion of the Administrator, the periods for, and the manner in, which such inspection, servicing, and overhaul shall be made, including for examinations and reports by properly qualified private persons whose examinations or reports the Administrator may accept in lieu of those made by its officers and employees;

(4) Reasonable rules and regulations governing the reserve supply of aircraft, aircraft engines, propellers, appliances, and aircraft fuel and oil, required in the interest of safety, including the reserve supply of aircraft fuel and oil which shall be carried in flight;

(5) Reasonable rules and regulations governing, in the interest of safety, the maximum hours or periods of service of airmen, and other employees, of air carriers; and

(6) Such reasonable rules and regulations, or minimum standards, governing other practices, methods, and procedure, as the Administrator may find necessary to provide adequately for national security and safety in air commerce.

Need of Service To Be Considered; Classification of Standards, Etc.

(b) In prescribing standards, rules, and regulations, and in issuing certificates under this title, the Administrator shall give full consideration to the duty resting upon air carriers to perform their services with the

highest possible degree of safety in the public interest and to any differences between air transportation and other air commerce; and he shall make classifications of such standards, rules, regulations, and certificates appropriate to the differences between air transportation and other air commerce. The Administrator may authorize any aircraft, aircraft engine, propeller, or appliance, for which an aircraft certificate authorizing use thereof in air transportation has been issued, to be used in other air commerce without the issuance of a further certificate. The Administrator shall exercise and perform his powers and duties under this act in such manner as will best tend to reduce or eliminate the possibility of, or recurrence of, accidents in air transportation, but shall not deem himself required to give preference to either air transportation or other air commerce in the administration and enforcement of this title.

#### Exemptions

(c) The Administrator from time to time may grant exemptions from the requirements of any rule or regulation prescribed under this title if he finds that such action would be in the public interest.

#### Airman Certificates

##### Power To Issue Certificate

SEC. 602. (a) The Administrator is empowered to issue airman certificates specifying the capacity in which the holders thereof are authorized to serve as airmen in connection with aircraft.

##### Issuance of Certificate

(b) Any person may file with the Administrator an application for an airman certificate. If the Administrator finds, after investigation, that such person possesses proper qualifications for, and is physically able to perform the duties pertaining to, the position for which the airman certificate is sought, he shall issue such certificate, containing such terms, conditions, and limitations as to duration thereof, periodic or special examinations, tests of physical fitness, and other matters as the Administrator may determine to be necessary to assure safety in air commerce. Except in the case of persons whose certificates are, at the time of denial, under order of suspension or whose certificates have been revoked within 1 year of the date of such denial, any person whose application for the issuance or renewal of an airman certificate is denied may file with the Board a petition for review of the Administrator's action. The Board shall thereupon assign such petition for hearing at a place convenient to the applicant's place of residence or employment. In the conduct of such hearing and in determining whether the airman meets the pertinent rules, regulations, or standards, the Board shall not be bound by findings of fact of the Administrator. At the conclusion of such hearing, the Board shall issue its decision as to whether the airman meets the pertinent rules, regulations, and standards and the Administrator shall be bound by such decision: *Provided*, That the Administrator may, in his discretion, prohibit or restrict the issuance of airman certificates to aliens, or may make such issuance dependent on the terms of reciprocal agreements entered into with foreign governments.

##### Form and Recording of Certificate

(c) Each certificate shall be numbered and recorded by the Administrator; shall state the name and address of, and contain a description of, the person to whom the certificate is issued; and shall be entitled with the designation of the class covered thereby. Certificates issued to all pilots serving in scheduled air transportation shall be designated "airline transport pilot" of the proper class.

#### Aircraft certificates

##### Type Certificates

SEC. 603. (a) (1) The Administrator is empowered to issue type certificates for aircraft, aircraft engines, and propellers; to specify in regulations the appliances for which the issuance of type certificates is reasonably required in the interest of safety; and to issue such certificates for appliances so specified.

(2) Any interested person may file with the Administrator an application for a type certificate for an aircraft, aircraft engine, propeller, or appliance specified in regulations under paragraph (1) of this subsection. Upon receipt of an application, the Administrator shall make an investigation thereof and may hold hearings thereon. The Administrator shall make, or require the applicant to make, such tests during manufacture and upon completion as the Administrator deems reasonably necessary in the interest of safety including flight tests and tests of raw materials or any part or appurtenance of such aircraft, aircraft engine, propeller, or appliance. If the Administrator finds that such aircraft, aircraft engine, propeller, or appliance is of proper design, material, specification, construction, and performance for safe operation, and meets the minimum standards, rules, and regulations prescribed by the Administrator, he shall issue a type certificate therefor. The Administrator may prescribe in any such certificate the duration thereof and such other terms, conditions, and limitations as are required in the interest of safety. The Administrator may record upon any certificate issued for aircraft, aircraft engines, or propellers, a numerical determination of all of the essential factors relative to the performance of the aircraft, aircraft engine, or propeller for which the certificate is issued.

##### Production Certificate

(b) Upon application, and if it satisfactorily appears to the Administrator that duplicates of any aircraft, aircraft engine, propeller, or appliance for which a type certificate has been issued will conform to such certificate, the Administrator shall issue a production certificate authorizing the production of duplicates of such aircraft, aircraft engines, propellers, or appliances. The Administrator shall make such inspection and may require such tests of any aircraft, aircraft engine, propeller, or appliance manufactured under a production certificate as may be necessary to assure manufacture of each unit in conformity with the type certificate or any amendment or modification thereof. The Administrator may prescribe in any such production certificate the duration thereof and such other items, conditions, and limitations as are required in the interest of safety.

##### Airworthiness Certificate

(c) The registered owner of any aircraft may file with the Administrator an application for an airworthiness certificate for such aircraft. If the Administrator finds that the aircraft conforms to the type certificate therefor, and, after inspection, that the aircraft is in condition for safe operation, he shall issue an airworthiness certificate. The Administrator may prescribe in such certificate the duration of such certificate, the type of service for which the aircraft may be used, and such other terms, conditions, and limitations as are required in the interest of safety. Each such certificate shall be registered by the Administrator and shall set forth such information as the Administrator may deem advisable. The certificate number, or such other individual designation as may be required by the Administrator, shall be displayed upon each aircraft in accordance with regulations prescribed by the Administrator.



*Air carrier operating certificates**Power to Issue*

Sec. 604. (a) The Administrator is empowered to issue air carrier operating certificates and to establish minimum safety standards for the operation of the air carrier to whom any such certificate is issued.

*Issuance*

(b) Any person desiring to operate as an air carrier may file with the Administrator an application for an air carrier operating certificate. If the Administrator finds, after investigation, that such person is properly and adequately equipped and able to conduct a safe operation in accordance with the requirements of this act and the rules, regulations, and standards prescribed thereunder, he shall issue an air carrier operating certificate to such person. Each air carrier operating certificate shall prescribe such terms, conditions, and limitations as are reasonably necessary to assure safety in air transportation, and shall specify the points to and from which, and the Federal airways over which, such person is authorized to operate as an air carrier under an air carrier operating certificate.

*Maintenance of equipment in air transportation**Duty of Carriers and Airmen*

Sec. 605. (a) It shall be the duty of each air carrier to make, or cause to be made, such inspection, maintenance, overhaul, and repair of all equipment used in air transportation as may be required by this act, or the orders, rules, and regulations of the Administrator issued thereunder. And it shall be the duty of every person engaged in operating, inspecting, maintaining, or overhauling equipment to observe and comply with the requirements of this act relating thereto, and the orders, rules, and regulations issued thereunder.

*Inspection*

(b) The Administrator shall employ inspectors who shall be charged with the duty (1) of making such inspections of aircraft, aircraft engines, propellers, and appliances designed for use in air transportation, during manufacture, and while used by an air carrier in air transportation, as may be necessary to enable the Administrator to determine that such aircraft, aircraft engines, propellers, and appliances are in safe condition and are properly maintained for operation in air transportation; and (2) of advising and cooperating with each air carrier in the inspection and maintenance thereof by the air carrier. Whenever any inspector shall, in the performance of his duty, find that any aircraft, aircraft engine, propeller, or appliance, used or intended to be used by any air carrier in air transportation, is not in condition for safe operation, he shall so notify the carrier, in such form and manner as the Administrator may prescribe; and, for a period of 5 days thereafter, such aircraft, aircraft engine, propeller, or appliance shall not be used in air transportation, or in such manner as to endanger air transportation, unless found by the Administrator or his inspector to be in condition for safe operation.

*Air Navigation Facility Rating*

Sec. 606. The Administrator is empowered to inspect, classify, and rate any air navigation facility available for the use of civil aircraft as to its suitability for such use. The Administrator is empowered to issue a certificate for any such air navigation facility.

*Air Agency Rating*

Sec. 607. The Administrator is empowered to provide for the examination and rating of (1) civilian schools giving instructions in flying or in the repair, alteration, maintenance, and overhaul of aircraft, aircraft engines, propellers, and appliances, as to the

adequacy of the course of instruction, the suitability and airworthiness of the equipment, and the competency of the instructors; (2) repair stations or shops for the repair, alteration, maintenance, and overhaul of aircraft, aircraft engines, propellers, or appliances, as to the adequacy and suitability of the equipment, facilities, and materials for, and methods of, repair, alteration, maintenance, and overhaul of aircraft, aircraft engines, propellers, and appliances, and the competency of those engaged in the work or giving any instruction therein; and (3) such other air agencies as may, in his opinion, be necessary in the interest of the public. The Administrator is empowered to issue certificates for such schools, repair stations, and other agencies.

*Form of Applications*

Sec. 608. Applications for certificates under this title shall be in such form, contain such information, and be filed and served in such manner as the Administrator may prescribe, and shall be under oath whenever the Administrator so requires.

*Amendment, Suspension, and Revocation of Certificates*

Sec. 609. The Administrator may, from time to time, reinspect any civil aircraft, aircraft engine, propeller, appliance, air navigation facility, or air agency, or may reexamine any civil airman. If, as a result of any such reinspection or reexamination, or if, as a result of any other investigation made by the Administrator, he determines that safety in air commerce or air navigation and the public interest requires, the Administrator may issue an order amending, modifying, suspending, or revoking, in whole or in part, any type certificate, production certificate, airworthiness certificate, airman certificate, air carrier operating certificate, air navigation facility certificate, or air agency certificate. Prior to amending, modifying, suspending, or revoking any of the foregoing certificates, the Administrator shall advise the holder thereof as to any charges or other reasons relied upon by the Administrator for his proposed action and, except in cases of emergency, shall provide the holder of such a certificate an opportunity to answer any charges and be heard as to why such certificate should not be amended, modified, suspended, or revoked. Any person whose certificate is affected by such an order of the Administrator under this section may appeal the Administrator's order to the Board and the Board may, after notice and hearing, amend, modify, or reverse the Administrator's order if it finds that safety in air commerce or air transportation and the public interest do not require affirmation of the Administrator's order. The filing of an appeal with the Board shall stay the effectiveness of the Administrator's order unless the Administrator advises the Board that an emergency exists and safety in air commerce or air transportation requires the immediate effectiveness of his order, in which event the order shall remain effective and the Board shall finally dispose of the appeal within 60 days after being so advised by the Administrator. The person substantially affected by the Board's order, and the Administrator as to matters of law, may obtain judicial review of said order under the provisions of section 1006, and the Administrator shall be made a party to such proceedings.

*Prohibitions**Violations of Title*

Sec. 610. (a) It shall be unlawful—

(1) For any person to operate in air commerce any civil aircraft for which there is not currently in effect an airworthiness certificate, or in violation of the terms of any such certificate;

(2) For any person to serve in any capacity as an airman in connection with any civil aircraft, aircraft engine, propeller or appli-

ance used or intended for use, in air commerce without an airman certificate authorizing him to serve in such capacity, or in violation of any term, condition, or limitation thereof, or in violation of any order, rule, or regulation issued under this title;

(3) For any person to employ for service in connection with any civil aircraft used in air commerce an airman who does not have an airman certificate authorizing him to serve in the capacity for which he is employed;

(4) For any person to operate as an air carrier without an air carrier operating certificate, or in violation of the terms of any such certificate;

(5) For any person to operate aircraft in air commerce in violation of any other rule, regulation, or certificate of the Administrator under this title; and

(6) For any person to operate a seaplane or other aircraft of United States registry upon the high seas in contravention of the regulations proclaimed by the President pursuant to section 1 of the act entitled "An act to authorize the President to proclaim regulations for preventing collisions at sea," approved October 11, 1951 (Public Law 172, 82d Congress; 65 Stat. 406); and

(7) For any person holding an air agency or production certificate, to violate any term, condition, or limitation thereof, or to violate any order, rule, or regulation under this title relating to the holder of such certificate.

*Exemption of Foreign Aircraft and Airmen*

(b) Foreign aircraft and airmen serving in connection therewith may, except with respect to the observance by such airmen of the air traffic rules, be exempted from the provisions of subsection (a) of this section, to the extent, and upon such terms and conditions, as may be prescribed by the Administrator as being in the interest of the public.

*TITLE VII—AIRCRAFT ACCIDENT INVESTIGATION**Accidents involving civil aircraft  
General Duties*

Sec. 701. (a) It shall be the duty of the Board to—

(1) Make rules and regulations governing notification and report of accidents involving civil aircraft;

(2) Investigate such accidents and report the facts, conditions, and circumstances relating to each accident and the probable cause thereof;

(3) Make such recommendations to the Administrator as, in its opinion, will tend to prevent similar accidents in the future;

(4) Make such reports public in such form and manner as may be deemed by it to be in the public interest; and

(5) Ascertain what will best tend to reduce or eliminate the possibility of, or recurrence of, accidents by conducting special studies and investigations on matters pertaining to safety in air navigation and the prevention of accidents.

*Temporary Personnel*

(b) The Board may, without regard to the civil-service laws, engage, for temporary service in the investigation of any accident involving aircraft, persons other than officers or employees of the United States and may fix their compensation without regard to the Classification Act of 1949, as amended; and may, with consent of the head of the executive department or independent establishment under whose jurisdiction the officer or employee is serving, secure for such service any officer or employee of the United States.

*Conduct of Investigations*

(c) In conducting any hearing or investigation, any member of the Board or any officer or employee of the Board or any person engaged or secured under subsection (b) shall have the same powers as the Board

has with respect to hearings or investigations conducted by it.

#### Aircraft

(d) Any civil aircraft, aircraft engine, propeller, or appliance affected by, or involved in, an accident in air commerce, shall be preserved in accordance with, and shall not be moved except in accordance with, regulations prescribed by the Board.

#### Use of Records and Reports as Evidence

(e) No part of any report or reports of the Board relating to any accident or the investigation thereof, shall be admitted as evidence or used in any suit or action for damages growing out of any matter mentioned in such report or reports.

#### Use of Agency in Accident Investigations

(f) Upon the request of the Board, the Administrator is authorized to make investigations with regard to aircraft accidents and to report to the Board the facts, conditions, and circumstances thereof, and the Board is authorized to utilize such reports in making its determinations of probable cause under this title.

#### Participation by Agency

(g) In order to assure the proper discharge by the Administrator of his duties and responsibilities, the Board shall provide for the appropriate participation of the Administrator and his representatives in any investigations conducted by the Board under this title: *Provided*, That the Administrator or his representatives shall not participate in the determination of probable cause by the Board under this title.

#### Accidents involving military aircraft

SEC. 702. (a) In the case of accidents involving both civil and military aircraft, the Board shall provide for participation in the investigation by appropriate military authorities.

(b) In the case of accidents involving solely military aircraft and in which a function of the Administrator is or may be involved, the military authorities shall provide for participation in the investigation by the Administrator.

(c) With respect to other accidents involving solely military aircraft, the military authorities shall provide the Administrator and the Board with any information with respect thereto which, in the judgment of the military authorities, would contribute to the promotion of air safety.

#### Special boards of inquiry

SEC. 703. (a) In any accident which involves substantial questions of public safety in air transportation the Board may establish a Special Board of Inquiry consisting of three members; one member of the Civil Aeronautics Board who shall act as Chairman of the Special Board of Inquiry; and two members representing the public who shall be appointed by the President upon notification of the creation of such Special Board of Inquiry by the Civil Aeronautics Board.

(b) Such public members of the Special Board of Inquiry shall be duly qualified by training and experience to participate in such inquiry and shall have no pecuniary interest in any aviation enterprise involved in the accident to be investigated.

(c) The Special Board of Inquiry when convened to investigate an accident certified to it by the Civil Aeronautics Board shall have all authority of the Civil Aeronautics Board as described in this title.

#### TITLE VIII—OTHER ADMINISTRATIVE AGENCIES

##### The President of the United States

SEC. 801. The issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in overseas or foreign air transportation, or air transportation between places in the same

Territory or possession, or any permit issuable to any foreign air carrier under section 402, shall be subject to the approval of the President. Copies of all applications in respect of such certificates and permits shall be transmitted to the President by the Board before hearing thereon, and all decisions thereon by the Board shall be submitted to the President before publication thereof.

#### The Department of State

SEC. 802. The Secretary of State shall advise the Administrator, the Board, and the Secretary of Commerce, and consult with the Administrator, Board, or Secretary, as appropriate, concerning the negotiation of any agreement with foreign governments for the establishment or development of air navigation, including air routes and services.

#### Weather Bureau

SEC. 803. In order to promote safety and efficiency in air navigation to the highest possible degree, the Chief of the Weather Bureau, under the direction of the Secretary of Commerce, shall, in addition to any other functions or duties pertaining to weather information for other purposes, (1) make such observations, measurements, investigations, and studies of atmospheric phenomena, and establish such meteorological offices and stations, as are necessary or best suited for ascertaining, in advance, information concerning probable weather conditions; (2) furnish such reports, forecasts, warnings, and advices to the Administrator, and to such persons engaged in civil aeronautics as may be designated by the Administrator, and to such other persons as the Chief of the Weather Bureau may determine, and such reports shall be made in such manner and with such frequency as will best result in safety in and in facilitating air navigation; (3) cooperate with persons engaged in air commerce, or employees thereof, in meteorological service, establish and maintain reciprocal arrangements under which this provision is to be carried out and collect and disseminate weather reports available from aircraft in flight; (4) establish and coordinate the international exchanges of meteorological information required for the safety and efficiency of air navigation; (5) participate in the development of an international basic meteorological reporting network, including the establishment, operation, and maintenance of reporting stations on the high seas, in polar regions, and in foreign countries in cooperation with other governmental agencies of the United States and the meteorological services of foreign countries and with persons engaged in air commerce; (6) coordinate meteorological requirements in the United States in order to maintain standard observations, promote efficient use of facilities and avoid duplication of services unless such duplication tends to promote the safety and efficiency of air navigation; and (7) promote and develop meteorological science and foster and support research projects in meteorology through the utilization of private and governmental research facilities and provide for the publication of the results of such research project unless such publication would be contrary to the public interest.

#### TITLE IX—PENALTIES

##### Civil penalties

##### Safety and Postal Offenses

SEC. 901. (a) (1) Any person who violates (A) any provision of title III, V, VI, VII, or XII of this act, or any rule, regulation, or order issued thereunder, or (B) any rule or regulation issued by the Postmaster General under this act, shall be subject to a civil penalty of not to exceed \$1,000 for each such violation: *Provided*, That this subsection shall not apply to members of the Armed Forces of the United States, or those civilian employees of the Department of Defense who are subject to the provisions of the Uniform

Code of Military Justice, while engaged in the performance of their official duties; and the appropriate military authorities shall be responsible for taking any necessary disciplinary action with respect thereto and for making to the Administrator or Board, as appropriate, a timely report of any such action taken.

(2) Any such civil penalty may be compromised by the Administrator in the case of violations of titles III, V, VI, or XII, or any rule, regulation, or order issued thereunder, and by the Board in the case of violations of title VII, or any rule, regulation, or order issued thereunder, or the Postmaster General in the case of regulations issued by him. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged.

##### Liens

(b) In case an aircraft is involved in such violation and the violation is by the owner or person in command of the aircraft, such aircraft shall be subject to lien for the penalty: *Provided*, That this subsection shall not apply to a violation of a rule or regulation of the Postmaster General.

##### Criminal penalties

##### General

SEC. 902. (a) Any person who knowingly and willfully violates any provisions of this act (except titles III, V, VI, VII, and XII), or any order, rule, or regulation issued under any such provision or any term, condition, or limitations of any certificate or permit issued under title IV, for which no penalty is otherwise herein provided, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject for the first offense to a fine of not more than \$500, and for any subsequent offense to a fine of not more than \$2,000. If such violation is a continuing one, each day of such violation shall constitute a separate offense.

##### Forgery of Certificates and False Marking of Aircraft

(b) Any person who knowingly and willfully forges, counterfeits, alters, or falsely makes any certificate authorized to be issued under this act, or knowingly uses or attempts to use any such fraudulent certificate, and any person who knowingly and willfully displays or causes to be displayed on any aircraft, any marks that are false or misleading as to the nationality or registration of the aircraft, shall be subject to a fine of not exceeding \$1,000 or to imprisonment not exceeding 3 years, or to both such fine and imprisonment.

##### Interference With Navigation

(c) A person shall be subject to a fine of not exceeding \$5,000 or to imprisonment not exceeding 5 years, or both such fine and imprisonment, who—

(1) with intent to interfere with air navigation within the United States, exhibits within the United States any light or signal at such place or in such manner that it is likely to be mistaken for a true light or signal established pursuant to this act, or for a true light or signal in connection with an airport or other air navigation facility; or

(2) after due warning by the Administrator, continues to maintain any misleading light or signal; or

(3) knowingly removes, extinguishes, or interferes with the operation of any such true light or signal.

##### Granting Rebates

(d) Any air carrier, foreign air carrier, or ticket agent, or any officer, agent, employee, or representative thereof, who shall, knowingly and willfully, offer, grant, or give, or cause to be offered, granted, or given, any rebate or other concession in violation of the



provisions of this act, or who, by any device or means, shall, knowingly and willfully, assist, or shall willingly suffer or permit, any person to obtain transportation or services subject to this act at less than the rates, fares, or charges lawfully in effect, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be subject for each offense to a fine of not less than \$100 and not more than \$5,000.

#### Failure To File Reports; Falsification of Records

(e) Any air carrier, or any officer, agent, employee, or representative thereof, who shall, knowingly and willfully, fail or refuse to make a report to the Board or Administrator as required by this act, or to keep or preserve accounts, records, and memoranda in the form and manner prescribed or approved by the Board or Administrator, or shall knowingly and willfully, falsify, mutilate, or alter any such report, account, record, or memorandum, or shall knowingly and willfully make any false report, account, record, or memorandum, shall be deemed guilty of a misdemeanor and, upon conviction thereof, be subject for each offense to a fine of not less than \$100 and not more than \$5,000.

#### Divulging Information

(f) If the Administrator or any member of the Board, or any officer or employee of either, shall knowingly and willfully divulge any fact or information which may come to his knowledge during the course of an examination of the accounts, records, and memoranda of any air carrier, or which is withheld from public disclosure under section 1104, except as he may be directed by the Administrator or the Board in the case of information ordered to be withheld by either, or by a court of competent jurisdiction or a judge thereof, he shall upon conviction thereof be subject for each offense to a fine of not more than \$5,000 or imprisonment for not more than 2 years, or both: *Provided*, That nothing in this section shall authorize the withholding of information by the Administrator or Board from the duly authorized committees of the Congress.

#### Refusal to Testify

(g) Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce books, papers, or documents, if in his power to do so, in obedience to the subpoena or lawful requirement of the Board or Administrator, shall be guilty of a misdemeanor and, upon conviction thereof, shall be subject to a fine of not less than \$100 nor more than \$5,000, or imprisonment for not more than 1 year, or both.

#### Transportation of Explosives and Other Dangerous Articles

(h) (1) Any person who knowingly delivers or causes to be delivered to an air carrier or to the operator of any civil aircraft for transportation in air commerce, or who causes the transportation in air commerce of, any shipment, baggage, or property, the transportation of which would be prohibited by any rule, regulation, or requirement prescribed by the Administrator under title VI of this act, relating to the transportation, packing, marking, or description of explosives or other dangerous articles shall, upon conviction thereof for each such offense, be subject to a fine of not more than \$1,000, or to imprisonment not exceeding 1 year, or to both such fine and imprisonment: *Provided*, That when death or bodily injury of any person results from an offense punishable under this subsection, the person or persons convicted thereof shall, in lieu of the foregoing penalty, be subject to a fine of not more than \$10,000 or to imprisonment not exceeding 10 years, or to both such fine and imprisonment.

(2) In the exercise of his authority under title VI of this act, the Administrator may provide by regulation for the application in whole or in part of the rules or regulations of the Interstate Commerce Commission (including future amendments and additions thereto) relating to the transportation, packing, marking, or description of explosives or other dangerous articles for surface transportation, to the shipment and carriage by air of such articles. Such applicability may be terminated by the Administrator at any time. While so made applicable, any such rule or regulation, or part thereof, of the Interstate Commerce Commission shall for the purposes of this act be deemed to be a regulation of the Administrator prescribed under title VI.

#### Venue and prosecution of offenses Venue

SEC. 903. (a) The trial of any offense under this act shall be in the district in which such offense is committed; or if the offense is committed upon the high seas, or out of the jurisdiction of any particular State or district, the trial shall be in the district where the offender may be found or into which he shall be first brought. Whenever the offense is begun in one jurisdiction and completed in another it may be dealt with, inquired of, tried, determined, and punished in either jurisdiction in the same manner as if the offense had been actually and wholly committed therein.

#### Procedure in Respect of Civil Penalties

(b) (1) Any civil penalty imposed under this act may be collected by proceedings in personam against the person subject to the penalty and, in case the penalty is a lien, by proceedings in rem against the aircraft, or by either method alone. Such proceedings shall conform as nearly as may be to civil suits in admiralty, except that either party may demand trial by jury of any issue of fact, if the value in controversy exceeds \$20, and the facts so tried shall not be re-examined other than in accordance with the rules of the common law. The fact that in a libel in rem the seizure is made at a place not upon the high seas or navigable waters of the United States shall not be held in any way to limit the requirement of the conformity of the proceedings to civil suits in rem in admiralty.

(2) Any aircraft subject to such lien may be summarily seized by and placed in the custody of such persons as the Board or Administrator may by regulation prescribe, and a report of the cause shall thereupon be transmitted to the United States attorney for the judicial district in which the seizure is made. The United States attorney shall promptly institute proceedings for the enforcement of the lien or notify the Board or Administrator of his failure to do so.

(3) The aircraft shall be released from such custody upon payment of the penalty or the amount agreed upon in compromise; or seizure in pursuance of process of any court in proceedings in rem for enforcement of the lien, or notification by the United States attorney of failure to institute such proceedings; or deposit of a bond in such amount and with such sureties as the Board or Administrator may prescribe, conditioned upon the payment of the penalty or the amount agreed upon in compromise.

(4) The Supreme Court of the United States, and under its direction other courts of the United States, may prescribe rules regulating such proceedings in any particular not provided by law.

#### Violations of section 1109

SEC. 904. (a) Any person who (1) violates any entry or clearance regulation made under section 1109 (c) of this act, or (2) any immigration regulations made under such section, shall be subject to a civil penalty of \$500 which may be remitted or miti-

gated by the Secretary of the Treasury or the Attorney General, respectively, in accordance with such proceedings as the Secretary or Attorney General shall by regulation prescribe. Any person violating any customs regulation made under section 1109 (b) of this act, or any provision of the customs or public-health laws or regulations thereunder made applicable to aircraft by regulation under such section, shall be subject to a civil penalty of \$500, and any aircraft used in connection with any such violation shall be subject to seizure and forfeiture as provided for in such customs laws, which penalty and forfeiture may be remitted or mitigated by the Secretary of the Treasury. In case the violation is by the owner or person in command of the aircraft, the penalty shall be a lien against the aircraft. Any person violating any provision of the laws and regulations relating to animal and plant quarantine made applicable to civil air navigation by regulation in accordance with section 1109 (d) of this act shall be subject to the same penalties as those provided by the said laws for violations thereof. Any civil penalty imposed under this section may be collected by proceedings in personam against the person subject to the penalty and/or, in case the penalty is a lien, by proceedings in rem against the aircraft. Such proceedings shall conform as nearly as may be to civil suits in admiralty; except that either party may demand trial by jury of any issue of fact, if the value in controversy exceeds \$20, and facts so tried shall not be reexamined other than in accordance with the rules of the common law. The fact that in a libel in rem the seizure is made at a place not upon the high seas or navigable waters of the United States shall not be held in any way to limit the requirement of the conformity of the proceedings to civil suits in rem in admiralty. The Supreme Court of the United States and under its direction other courts of the United States are authorized to prescribe rules regulating such proceedings in any particular not provided by law. The determination under this section as to the remission or mitigation of a civil penalty imposed under this section shall be final. In case libel proceedings are pending at any time during the pendency of remission or mitigation proceedings, the Secretary or Attorney General shall give notice thereof to the United States attorney prosecuting the libel proceedings.

(b) Any aircraft subject to a lien for any civil penalty imposed under this section may be summarily seized by and placed in the custody of such persons as the appropriate Secretary or Attorney General may by regulation prescribe and a report of the case thereupon transmitted to the United States attorney for the judicial district in which the seizure is made. The United States attorney shall promptly institute proceedings for the enforcement of the lien or notify the Secretary of his failure to do so. The aircraft shall be released from such custody upon (1) payment of the penalty or so much thereof as is not remitted or mitigated, (2) seizure in pursuance of process of any court in proceedings in rem for enforcement of the lien, or notification by the United States attorney of failure to institute such proceedings, or (3) deposit of a bond in such amount and with such sureties as the Secretary or Attorney General may prescribe, conditioned upon the payment of the penalty or so much thereof as is not remitted or mitigated.

#### TITLE X—PROCEDURE

##### Conduct of proceedings

SEC. 1001. The Board and the Administrator, subject to the provisions of this act and the Administrative Procedure Act, may conduct their proceedings in such manner as will be conducive to the proper dispatch of business and to the ends of justice. No

member of the Board or Agency shall participate in any hearings or proceeding in which he has a pecuniary interest. Any person may appear before the Board or Agency and be heard in person or by attorney. The Board, in its discretion, may enter its appearance and participate as an interested party in any proceeding conducted by the Administrator under title III of this act, and in any proceeding conducted by the Administrator under title VI of this act from which no appeal is provided to the Board. Every vote and official act of the Board and the Agency shall be entered of record, and the proceedings thereof shall be open to the public upon request of any interested party, unless the Board or the Administrator determines that secrecy is requisite on grounds of national defense.

#### *Complaints to and investigations by the Administrator and the Board*

##### *Filing of Complaints Authorized*

SEC. 1002. (a) Any person may file with the Administrator or the Board, within their respective jurisdiction, a complaint in writing with respect to anything done or omitted to be done by any person in contravention of any provisions of this act, or of any requirement established pursuant thereto. If the person complained against shall not satisfy the complaint and there shall appear to be any reasonable ground for investigating the complaint, it shall be the duty of the Administrator or the Board to investigate the matters complained of. Whenever the Administrator or the Board is of the opinion that any complaint does not state facts which warrant an investigation or action, such complaint may be dismissed without hearing. In the case of complaints against a member of the Armed Forces of the United States acting in the performance of his official duties, the Administrator or the Board, as the case may be, shall refer the complaint to the Secretary of the department concerned for action. The Secretary shall, within 90 days after receiving such a complaint, inform the Administrator or the Board of his disposition of the complaint, including a report as to any corrective or disciplinary actions taken.

##### *Investigations on Initiative of Administrator or Board*

(b) The Administrator or Board, with respect to matters within their respective jurisdictions is empowered at any time to institute an investigation, on their own initiative, in any case and as to any matter or thing within their respective jurisdictions, concerning which complaint is authorized to be made to or before the Administrator or Board by any provision of this act, or concerning which any question may arise under any of the provisions of this act, or relating to the enforcement of any of the provisions of this act. The Administrator or the Board shall have the same power to proceed with any investigation instituted on their own motion as though it had been appealed to by complaint.

##### *Entry of Orders for Compliance With Act*

(c) If the Administrator or the Board finds, after notice and hearing, in any investigation instituted upon complaint or upon their own initiative, with respect to matters within their jurisdiction, that any person has failed to comply with any provision of this act or any requirement established pursuant thereto, the Administrator or the Board shall issue an appropriate order to compel such person to comply therewith.

##### *Power To Prescribe Rates and Practices of Air Carriers*

(d) Whenever, after notice and hearing, upon complaint, or upon its own initiative, the Board shall be of the opinion that any individual or joint rate, fare, or charge demanded, charged, collected or received by

any air carrier for interstate or overseas air transportation, or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, is or will be unjust or unreasonable, or unjustly discriminatory, or unduly preferential, or unduly prejudicial, the Board shall determine and prescribe the lawful rate, fare, or charge (or the maximum or minimum, or the maximum and minimum thereof) thereafter to be demanded, charged, collected, or received, or the lawful classification, rule, regulation, or practice thereafter to be made effective: *Provided*, That as to rates, fares, and charges for overseas air transportation, the Board shall determine and prescribe only a just and reasonable maximum or minimum or maximum and minimum rate, fare, or charge.

##### *Rule of Ratemaking*

(e) In exercising and performing its powers and duties with respect to the determination of rates for the carriage of persons or property, the Board shall take into consideration, among other factors—

(1) The effect of such rates upon the movement of traffic;

(2) The need in the public interest of adequate and efficient transportation of persons and property by air carriers at the lowest cost consistent with the furnishing of such service;

(3) Such standards respecting the character and quality of service to be rendered by air carriers as may be prescribed by or pursuant to law;

(4) The inherent advantages of transportation by aircraft; and

(5) The need of each air carrier for revenue sufficient to enable such air carrier, under honest, economical, and efficient management, to provide adequate and efficient air carrier service.

##### *Removal of Discrimination in Foreign Air Transportation*

(f) Whenever, after notice and hearing, upon complaint, or upon its own initiative, the Board shall be of the opinion that any individual or joint rate, fare, or charge demanded, charged, collected, or received by any air carrier or foreign air carrier for foreign air transportation, or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, is or will be unjustly discriminatory, or unduly preferential, or unduly prejudicial, the Board may alter the same to the extent necessary to correct such discrimination, preference, or prejudice and make an order that the air carrier or foreign air carrier shall discontinue demanding, charging, collecting, or receiving any such discriminatory, preferential, or prejudicial rate, fare, or charge or enforcing any such discriminatory, preferential, or prejudicial classification, rule, regulation, or practice.

##### *Suspension of Rates*

(g) Whenever any air carrier shall file with the Board a tariff stating a new individual or joint (between air carriers) rate, fare, or charge for interstate or overseas air transportation or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, the Board is empowered, upon complaint or upon its own initiative, at once, and, if it so orders, without answer or other formal pleading by the air carrier, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate, fare, or charge, or such classification, rule, regulation, or practice; and pending such hearing and the decision thereon, the Board, by filing with such tariff, and delivering to the air carrier affected thereby, a statement in writing of its reasons for such suspension, may suspend the operation of such tariff and defer the use of such rate, fare, or charge, or such

classification, rule, regulation, or practice, for a period of 90 days, and, if the proceeding has not been concluded and a final order made within such period the Board may, from time to time, extend the period of suspension, but not for a longer period in the aggregate than 180 days beyond the time when such tariff would otherwise go into effect; and, after hearing, whether completed before or after the rate, fare, charge, classification, rule, regulation, or practice goes into effect, the Board may make such order with reference thereto as would be proper in a proceeding instituted after such rate, fare, charge, classification, rule, regulation, or practice had become effective. If the proceeding has not been concluded and an order made within the period of suspension, the proposed rate, fare, charge, classification, rule, regulation, or practice shall go into effect at the end of such period: *Provided*, That this subsection shall not apply to any initial tariff filed by any air carrier.

##### *Power To Prescribe Divisions of Rates*

(h) Whenever, after notice and hearing, upon complaint or upon its own initiative, the Board is of the opinion that the divisions of joint rates, fares, or charges for air transportation are or will be unjust, unreasonable, inequitable, or unduly preferential or prejudicial as between the air carriers or foreign air carriers parties thereto, the Board shall prescribe the just, reasonable, and equitable divisions thereof to be received by the several air carriers. The Board may require the adjustment of divisions between such air carriers from the date of filing the complaint or entry of order of investigation, or such other date subsequent thereto as the Board finds to be just, reasonable, and equitable.

##### *Power To Establish Through Air Transportation Service*

(i) The Board shall, whenever required by the public convenience and necessity, after notice and hearing, upon complaint or upon its own initiative, establish through service and joint rates, fares, or charges (or the maximums or minimums, or the maximums and minimums thereof) for interstate or overseas air transportation, or the classifications, rules, regulations, or practices affecting such rates, fares, or charges, or the value of the service thereunder, and the terms and conditions under which such through service shall be operated: *Provided*, That as to joint rates, fares, and charges for overseas air transportation the Board shall determine and prescribe only just and reasonable maximum or minimum or maximum and minimum joint rates, fares, or charges.

##### *Joint boards*

##### *Designation of Boards*

SEC. 1003. (a) The Board and the Interstate Commerce Commission shall direct their respective Chairmen to designate, from time to time, a like number of members of each to act as a joint board to consider and pass upon matters referred to such board as provided in subsection (c) of this section.

##### *Through Service and Joint Rates*

(b) Air carriers may establish reasonable through service and joint rates, fares, and charges with other common carriers; except that with respect to transportation of property, air carriers not directly engaged in the operation of aircraft in air transportation (other than companies engaged in the air express business) may not establish joint rates or charges, under the provisions of this subsection, with common carriers subject to the Interstate Commerce Act. In case of through service by air carriers and common carriers subject to the Interstate Commerce Act, it shall be the duty of the carriers parties thereto to establish just and reasonable rates, fares, or charges and just and reasonable classifications, rules, regulations, and practices affecting such rates, fares, or charges, or the value of the service thereunder, and if



joint rates, fares, or charges shall have been established with respect to such through service, just, reasonable, and equitable divisions of such joint rates, fares, or charges as between the carriers participating therein. Any air carrier, and any common carrier subject to the Interstate Commerce Act, which is participating in such through service and joint rates, fares, or charges, shall include in its tariffs, filed with the Civil Aeronautics Board or the Interstate Commerce Commission, as the case may be, a statement showing such through service and joint rates, fares, or charges.

#### Jurisdiction of Boards

(c) Matters relating to such through service and joint rates, fares, or charges may be referred by the Board or the Interstate Commerce Commission, upon complaint or upon its own initiative, to a joint board created as provided in subsection (a). Complaints may be made to the Interstate Commerce Commission or the Board with respect to any matter which may be referred to a joint board under this subsection.

#### Power of Boards

(d) With respect to matters referred to any joint board as provided in subsection (c), if such board finds, after notice and hearing, that any such joint rate, fare, or charge, or classification, rule, regulation, or practice, affecting such joint rate, fare, or charge or the value of the service thereunder is or will be unjust, unreasonable, unduly discriminatory, or unduly preferential or prejudicial, or that any division of any such joint rate, fare, or charge, is or will be unjust, unreasonable, inequitable, or unduly preferential or prejudicial as between the carriers parties thereto, it is authorized and directed to take the same action with respect thereto as the Board is empowered to take with respect to any joint rate, fare, or charge, between air carriers, or any divisions thereof, or any classification, rule, regulation, or practice affecting such joint rate, fare, or charge or the value of the service thereunder.

#### Judicial Enforcement and Review

(e) Orders of the joint boards shall be enforceable and reviewable as provided in this act with respect to orders of the Board.

#### Evidence

##### Power To Take Evidence

SEC. 1004. (a) Any member or examiner of the Board, when duly designated by the Board for such purpose, may hold hearings, sign and issue subpoenas, administer oaths, examine witnesses, and receive evidence at any place in the United States designated by the Board. In all cases heard by an examiner or a single member the Board shall hear or receive argument on request of either party.

##### Power To Issue Subpena

(b) For the purposes of this act the Board shall have the power to require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation. Witnesses summoned before the Board shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

##### Enforcement of Subpena

(c) The attendance of witnesses, and the production of books, papers, and documents, may be required from any place in the United States, at any designated place of hearing. In case of disobedience to a subpoena, the Board, or any party to a proceeding before the Board, may invoke the aid of any court of the United States in requiring attendance and testimony of witnesses and the production of such books, papers, and documents under the provisions of this section.

#### Contempt

(d) Any court of the United States within the jurisdiction of which an inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any person issue an order requiring such person to appear before the Board (and produce books, papers, or documents if so ordered) and give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

#### Deposition

(e) The Board may order testimony to be taken by deposition in any proceeding or investigation pending before it, at any stage of such proceeding or investigation. Such depositions may be taken before any person designated by the Board and having power to administer oaths. Reasonable notice must first be given in writing by the party or his attorney proposing to take such deposition to the opposite party or his attorney of record, which notice shall state the name of the witness and the time and place of the taking of his deposition. Any person may be compelled to appear and depose, and to produce books, papers, or documents, in the same manner as witnesses may be compelled to appear and testify and produce like documentary evidence before the Board, as hereinbefore provided.

#### Method of Taking Depositions

(f) Every person deposing as herein provided shall be cautioned and shall be required to swear (or affirm, if he so requests), to testify the whole truth, and shall be carefully examined. His testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall, after it has been reduced to writing, be subscribed by the deponent. All depositions shall be promptly filed with the Board.

#### Foreign Depositions

(g) If a witness whose testimony may be desired to be taken by deposition be in a foreign country, the deposition may be taken, provided the laws of the foreign country so permit, by a consular officer or other person commissioned by the Board, or agreed upon by the parties by stipulation in writing to be filed with the Board, or may be taken under letters rogatory issued by a court of competent jurisdiction at the request of the Board.

#### Fees

(h) Witnesses whose depositions are taken as authorized in this act, and the persons taking the same, shall severally be entitled to the same fees as are paid for like services in the courts of the United States: *Provided*, That with respect to commissions or letters rogatory issued at the initiative of the Board, executed in foreign countries, the Board shall pay such fees, charges, or expenses incidental thereto as may be found necessary, in accordance with regulations on the subject to be prescribed by the Board.

#### Compelling Testimony

(i) No person shall be excused from attending and testifying, or from producing books, papers, or documents before the Board, or in obedience to the subpoena of the Board, or in any cause or proceedings, criminal or otherwise, based upon or growing out of any alleged violation of this act, or of any rule, regulation, requirement, or order thereunder, or any term, condition, or limitation of any certificate or permit, on the ground, or for the reason, that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having

claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that any individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

#### Orders, notices, and service

##### Effective Date of Orders; Emergency Orders

SEC. 1005. (a) Except as otherwise provided in this act, all orders, rules, and regulations of the Board or the Administrator shall take effect within such reasonable time as the Board or Administrator may prescribe, and shall continue in force until their further order, rule, or regulation, or for a specified period of time, as shall be prescribed in the order, rule, or regulation: *Provided*, That whenever the Administrator is of the opinion that an emergency requiring immediate action exists in respect of safety in air commerce, the Administrator is authorized, either upon complaint or his own initiative without complaint, at once, if he so orders, without answer or other form of pleading by the interested person or persons, and with or without notice, hearing, or the making or filing of a report, to much such just and reasonable orders, rules, or regulations, as may be essential in the interest of safety in air commerce to meet such emergency: *Provided further*, That the Administrator shall immediately initiate proceedings relating to the matters embraced in any such order, rule, or regulation, and shall, insofar as practicable, give preference to such proceedings over all others under this act.

##### Designation of Agent for Service

(b) It shall be the duty of every air carrier and foreign air carrier to designate in writing an agent upon whom service of all notices and process and all orders, decisions, and requirements of the Board and the Administrator may be made for and on behalf of said carrier, and to file such designation with the Administrator and in the office of the secretary of the Board, which designation may from time to time be changed by like writing similarly filed. Service of all notices and process and orders, decisions, and requirements of the Administrator or the Board may be made upon such carrier by service upon such designated agent at his office or usual place of residence with like effect as if made personally upon such carrier, and in default of such designation of such agent, service of any notice or other process in any proceedings before said Administrator or Board or of any order, decision, or requirements of the Administrator or Board, may be made by posting such notice, process, order, requirement, or decision in the office of the Administrator or with the secretary of the Board.

##### Other Methods of Service

(c) Service of notices, processes, orders, rules, and regulations upon any person may be made by personal service, or upon an agent designated in writing for the purpose, or by registered mail addressed to such person or agent. Whenever service is made by registered mail, the date of mailing shall be considered as the time when service is made.

##### Suspension of Modification of Order

(d) Except as otherwise provided in this act, the Administrator or the Board is empowered to suspend or modify their orders upon such notice and in such manner as they shall deem proper.

##### Compliance With Order Required

(e) It shall be the duty of every person subject to this act, and its agents and employees, to observe and comply with any order, rule, regulation, or certificate issued by the Administrator or the Board under this act affecting such person so long as the same shall remain in effect.

### Form and Service of Orders

(f) Every order of the Administrator or the Board shall set forth the findings of fact upon which it is based, and shall be served upon the parties to the proceeding and the persons affected by such order.

### Judicial review of orders

#### Orders of Board and Administrator Subject to Review

SEC. 1006. (a) Any order, affirmative or negative, issued by the Board or Administrator under this act, except any order in respect of any foreign air carrier subject to the approval of the President as provided in section 801 of this act, shall be subject to review by the courts of appeals of the United States or the United States Court of Appeals for the District of Columbia upon petition, filed within 60 days after the entry of such order, by any person disclosing a substantial interest in such order. After the expiration of said 60 days a petition may be filed only by leave of court upon a showing of reasonable grounds for failure to file the petition theretofore.

#### Venue

(b) A petition under this section shall be filed in the court for the circuit wherein the petitioner resides or has his principal place of business or in the United States Court of Appeals for the District of Columbia.

#### Notice to Board or Administrator; Filing of Transcript

(c) A copy of the petition shall, upon filing, be forthwith transmitted to the Board or Administrator by the clerk of the court, and the Board or Administrator shall thereupon certify and file in the court a transcript of the record, if any, upon which the order complained of was entered.

#### Power of Court

(d) Upon transmittal of the petition to the Board or Administrator, the court shall have exclusive jurisdiction to affirm, modify, or set aside the order complained of, in whole or in part, and if need be, to order further proceedings by the Board or Administrator. Upon good cause shown, interlocutory relief may be granted by stay of the order or by such mandatory or other relief as may be appropriate: *Provided*, That no interlocutory relief may be granted except upon at least 5 days' notice to the Board or Administrator.

#### Findings of Fact Conclusive

(e) The findings of facts by the Board or Administrator, if supported by substantial evidence, shall be conclusive. No objection to an order of the Board or Administrator shall be considered by the court unless such objection shall have been urged before the Board or Administrator or, if it was not so urged, unless there were reasonable grounds for failure to do so.

#### Certification of Certiorari

(f) The judgment and decree of the court affirming, modifying, or setting aside any such order of the Board or Administrator shall be subject only to review by the Supreme Court of the United States upon certification or certiorari as provided in section 1254 of title 28, United States Code.

#### Judicial enforcement

##### Jurisdiction of Court

SEC. 1007. (a) If any person violates any provision of this act, or any rule, regulation, requirement, or order thereunder, or any term, condition, or limitation of any certificate or permit issued under this act, the Board or Administrator, as the case may be, their duly authorized agents, or, in the case of a violation of section 401 (a) of this act, any party in interest, may apply to the district court of the United States, for any

district wherein such person carries on his business or wherein the violation occurred, for the enforcement of such provision of this act, or of such rule, regulation, requirement, order, term, condition, or limitation; and such court shall have jurisdiction to enforce obedience thereto by a writ of injunction or other process, mandatory or otherwise, restraining such person, his officers, agents, employees, and representatives, from further violation of such provision of this act or of such rule, regulation, requirement, order, term, condition, limitation, and requiring their obedience thereto.

#### Application for Enforcement

(b) Upon the request of the Board or Administrator, any district attorney of the United States to whom the Board or Administrator may apply is authorized to institute in the proper court and to prosecute under the direction of the Attorney General all necessary proceedings for the enforcement of the provisions of this act or any rule, regulation, requirement, or order thereunder, or any term, condition, or limitation of any certificate or permit, and for the punishment of all violations thereof, and the costs and expenses of such prosecutions shall be paid out of the appropriations for the expenses of the courts of the United States.

#### Participation in court proceedings

SEC. 1008. Upon request of the Attorney General, the Board or Administrator, as the case may be, shall have the right to participate in any proceeding in court under the provisions of this act.

#### Joinder of parties

SEC. 1009. In any proceeding for the enforcement of the provisions of this act, or any rule, regulation, requirement, or order thereunder, or any term, condition, or limitation of any certificate or permit, whether such proceedings be instituted before the Board or be begun originally in any court of the United States, it shall be lawful to include as parties, or to permit the intervention of, all persons interested in or affected by the matter under consideration; and inquiries, investigations, orders, and decrees may be made with reference to all such parties in the same manner, to the same extent, and subject to the same provisions of law as they may be made with respect to the persons primarily concerned.

#### TITLE XI—MISCELLANEOUS

##### Hazards to air commerce

SEC. 1101. The Administrator shall, by rules and regulations, or by order where necessary, require all persons to give adequate public notice, in the form and manner prescribed by the Administrator, of the construction or alteration, or of the proposed construction or alteration, of any structure where notice will promote safety in air commerce.

##### International agreements

SEC. 1102. In exercising and performing their powers and duties under this act, the Board and the Administrator shall do so consistently with any obligation assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country or foreign countries, and shall take into consideration any applicable laws and requirements of foreign countries and the Board shall not, in exercising and performing its powers and duties with respect to certificates of convenience and necessity, restrict compliance by any air carrier with any obligation, duty, or liability imposed by any foreign country: *Provided*, That this section shall not apply to any obligation, duty, or liability arising out of a contract or other agreement, heretofore or hereafter entered into between an air carrier, or any officer or representative thereof, and any foreign country, if such contract or

agreement is disapproved by the Board as being contrary to the public interest.

#### Nature and use of documents filed

SEC. 1103. The copies of tariffs and of all contracts, agreements, understandings, and arrangements filed with the Board as herein provided, and the statistics, tables, and figures contained in the annual or other reports of air carriers and other persons made to the Board as required under the provisions of this act shall be preserved as public records (except as otherwise provided in this act) in the custody of the secretary of the Board, and shall be received as prima facie evidence of what they purport to be for the purpose of investigations by the Board and in all judicial proceedings; and copies of, and extracts from, any of such tariffs, contracts, agreements, understandings, arrangements, or reports, certified by the secretary of the Board, under the seal of the Board, shall be received in evidence with like effect as the originals.

#### Withholding of information

SEC. 1104. Any person may make written objection to the public disclosure of information contained in any application, report, or document filed pursuant to the provisions of this act or of information obtained by the Board or the Administrator, pursuant to the provisions of this act, stating the grounds for such objection. Whenever such objection is made, the Board or Administrator shall order such information withheld from public disclosure when, in their judgment, a disclosure of such information would adversely affect the interests of such person and is not required in the interest of the public. The Board or Administrator shall be responsible for classified information in accordance with appropriate law: *Provided*, That nothing in this section shall authorize the withholding of information by the Board or Administrator from the duly authorized committees of the Congress.

#### Cooperation with Government agencies

SEC. 1105. The Board and the Administrator may avail themselves of the assistance of the National Aeronautics and Space Agency and any research or technical agency of the United States on matters relating to aircraft fuel and oil and to the design, materials, workmanship, construction, performance, maintenance, and operation of aircraft, aircraft engines, propellers, appliances, and air navigation facilities. Each such agency is authorized to conduct such scientific and technical researches, investigations, and tests as may be necessary to aid the Board and Administrator in the exercise and performance of their powers and duties. Nothing contained in this act shall be construed to authorize the duplication of the laboratory research activities of any existing governmental agency.

#### Remedies not exclusive

SEC. 1106. Nothing contained in this act shall in any way abridge or alter the remedies now existing at common law or by statute, but the provisions of this act are in addition to such remedies.

#### Public use of facilities

SEC. 1107. (a) Air navigation facilities owned or operated by the United States may be made available for public use under such conditions and to such extent as the head of the department or other agency having jurisdiction thereof deems advisable and may by regulation prescribe.

(b) The head of any Government department or other agency having jurisdiction over any airport or emergency landing field owned or operated by the United States may provide for the sale to any aircraft of fuel, oil, equipment, and supplies, and the fur-



nishing to it of mechanical service, temporary shelter, and other assistance under such regulations as the head of the department or agency may prescribe, but only if such action is by reason of an emergency necessary to the continuance of such aircraft on its course to the nearest airport operated by private enterprise. All such articles shall be sold and such assistance furnished at the fair market value prevailing locally as ascertained by the head of such department or agency. All amounts received under this subdivision shall be covered into the Treasury; but that part of such amounts which, in the judgment of the head of the department or agency, is equivalent to the cost of the fuel, oil, equipment, supplies, services, shelter, or other assistance so sold or furnished shall be credited to the appropriation from which such cost was paid, and the balance, if any, shall be credited to miscellaneous receipts.

#### *Foreign aircraft*

SEC. 1108. (a) The United States of America is hereby declared to possess and exercise complete and exclusive national sovereignty in the airspace of the United States, including the airspace above all inland waters and the airspace above those portions of the adjacent marginal high seas, bays, and lakes, over which by international law or treaty or convention the United States exercises national jurisdiction. Aircraft of the armed forces of any foreign nation shall not be navigated in the United States, including the Canal Zone, except in accordance with any authorization granted by the Secretary of State.

(b) Foreign aircraft, which are not a part of the armed forces of a foreign nation, may be navigated in the United States by airmen holding certificates of licenses issued or rendered valid by the United States or by the nation in which the aircraft is registered if such foreign nation grants a similar privilege with respect to aircraft of the United States and only if such navigation is authorized by permit, order, or regulation issued by the Board hereunder, and in accordance with the terms, conditions, and limitations thereof. The Board shall issue such permits, orders, or regulations to such extent only as it shall find such action to be in the interest of the public: *Provided, however,* That in exercising its powers hereunder, the Board shall do so consistently with any treaty, convention, or agreement which may be in force between the United States and any foreign country or countries. Foreign civil aircraft permitted to navigate in the United States under this subsection may be authorized by the Board to engage in air commerce within the United States except that they shall not take on at any point within the United States persons, property, or mail carried for compensation or hire and destined for another point within the United States. Nothing contained in this subsection (b) shall be deemed to limit, modify, or amend section 402 of this act, but any foreign air carrier holding a permit under said section 402 shall not be required to obtain additional authorization under this subsection with respect to any operation authorized by said permit.

#### *Application of existing laws relating to foreign commerce*

SEC. 1109. (a) Except as specifically provided in the act entitled "An act to authorize the President to proclaim regulations for preventing collisions at sea," approved October 11, 1951 (Public Law 172, 82d Congress; 65 Stat. 406), the navigation and shipping laws of the United States, including any definition of "vessel" or "vehicle" found therein

and including the rules for the prevention of collisions, shall not be construed to apply to seaplanes or other aircraft or to the navigation of vessels in relation to seaplanes or other aircraft.

(b) The Secretary of the Treasury is authorized to (1) designate places in the United States as ports of entry for civil aircraft arriving in the United States from any place outside thereof and for merchandise carried on such aircraft, (2) detail to ports of entry for civil aircraft such officers and employees of the customs service as he may deem necessary, and to confer or impose upon any officer or employee of the United States stationed at any such port of entry (with the consent of the head of the Government department or other agency under whose jurisdiction the officer or employee is serving) any of the powers, privileges, or duties conferred or imposed upon officers or employees of the customs service, and (3) by regulation to provide for the application to civil air navigation of the laws and regulations relating to the administration of the customs laws to such extent and upon such conditions as he deems necessary.

(c) The Secretary of the Treasury is authorized by regulation to provide for the application to civil aircraft of the laws and regulations relating to the entry and clearance of vessels to such extent and upon such conditions as he deems necessary.

(d) The Secretary of Agriculture is authorized by regulation to provide for the application to civil air navigation of the laws and regulations related to animal and plant quarantine, including the importation, exportation, transportation, and quarantine of animals, plants, animal, and plant products, insects, bacterial, and fungus cultures, viruses, and serums, to such extent and upon such conditions as he deems necessary.

#### *Geographical extension of jurisdiction*

SEC. 1110. Whenever the President determines that such action would be in the national interest, he may, to the extent, in the manner, and for such periods of time as he may consider necessary, extend the application of this act to any areas of land or water outside of the United States and the overlying airspace thereof in which the Federal Government of the United States, under international treaty, agreement, or other lawful arrangement has the necessary legal authority to take such action.

#### *TITLE XII—SECURITY PROVISIONS*

##### *Purpose*

SEC. 1201. The purpose of this title is to establish security provisions which will encourage and permit the maximum use of the navigable airspace by civil aircraft consistent with the national security.

##### *Security control of air traffic*

SEC. 1202. In the exercise of his authority under section 307 (a) of this act, the Administrator, in consultation with the Department of Defense, shall establish such zones or areas in the airspace of the United States as he may find necessary in the interests of national defense, and by rule, regulation, or order restrict or prohibit the flight of civil aircraft, which he cannot identify, locate, and control with available facilities, within such zones or areas.

##### *Penalties*

SEC. 1203. In addition to the penalties otherwise provided for by this act, any person who knowingly or willfully violates any provision of this title, or any rule, regulation, or order issued thereunder shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be subject to a fine of not exceeding \$10,000 or to imprisonment

not exceeding 1 year, or to both such fine and imprisonment.

#### *TITLE XIII—WAR RISK INSURANCE*

##### *Definitions*

##### *American Aircraft*

SEC. 1301. As used in this title—  
(a) The term "American aircraft" means "civil aircraft of the United States" as defined in section 101 (15) of this act, and any aircraft owned or chartered by or made available to the United States, or any department or agency thereof, or the government of any State, Territory, or possession of the United States, or any political subdivision thereof, or the District of Columbia.

##### *War Risks*

(b) The term "war risks" includes, to such extent as the Secretary may determine, all or any part of those risks which are described in "free of capture and seizure" clauses, or analogous clauses.

##### *Secretary*

(c) The term "Secretary" means the Secretary of Commerce.

##### *Insurance Company and Insurance Carrier*

(d) The terms "insurance company" and "insurance carrier" in sections 1305 (a) and (b) and in section 1307 (d) shall include any mutual or stock insurance company, reciprocal insurance association, and any group or association authorized to do an aviation insurance business in any State of the United States.

##### *Authority to insure*

##### *Power of Secretary*

SEC. 1302. (a) The Secretary, with the approval of the President, and after such consultation with interested agencies of the Government as the President may require, may provide insurance and reinsurance against loss or damage arising out of war risks in the manner and to the extent provided in this title, whenever it is determined by the Secretary that such insurance adequate for the needs of the air commerce of the United States cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States: *Provided,* That no insurance shall be issued under this title to cover war risks on persons or property engaged or transported exclusively in air commerce within the several States of the United States and the District of Columbia.

##### *Basis of Insurance*

(b) Any insurance or reinsurance issued under any of the provisions of this title shall be based, insofar as practicable, upon consideration of the risk involved.

##### *Insurable persons, property, or interests*

SEC. 1303. The Secretary may provide the insurance and reinsurance, authorized by section 1302 with respect to the following persons, property, or interest:

##### *Aircraft*

(a) American aircraft, and those foreign-flag aircraft engaged in aircraft operations deemed by the Secretary to be in the interest of the national defense or the national economy of the United States, when so engaged.

##### *Cargo*

(b) Cargoes transported or to be transported on any such aircraft, including shipments by express or registered mail; air cargoes owned by citizens or residents of the United States, its Territories or possessions; air cargoes imported to, or exported from, the United States, its Territories or possessions and air cargoes sold or purchased by

citizens or residents of the United States, its Territories or possessions, under contracts of sale or purchase by the terms of which the risk of loss by war risks or the obligation to provide insurance against such risks is assumed by or falls upon a citizen or resident of the United States, its Territories or possessions; air cargoes transported between any point in the United States and any point in a Territory or possession of the United States, between any point in any such Territory or possession and any point in any other such Territory or possession, or between any point in any such Territory or possession and any other point in the same Territory or possession.

#### Personal Effects and Baggage

(c) The personal effects and baggage of the captains, pilots, officers, members of the crews of such aircraft, and of other persons employed or transported on such aircraft.

#### Persons

(d) Captains, pilots, officers, members of the crews of such aircraft, and other persons employed or transported thereon against loss of life, injury, or detention.

#### Other Interests

(e) Statutory or contractual obligations or other liabilities of such aircraft or of the owner or operator of such aircraft of the nature customarily covered by insurance.

#### Insurance for departments and agencies

##### Exception

Sec. 1304. (a) Any department or agency of the United States may, with the approval of the President, procure from the Secretary any of the insurance provided under this title, except with respect to valuables covered by sections 1 and 2 of the act of July 8, 1937 (50 Stat. 479).

#### Indemnity Agreements

(b) The Secretary is authorized with such approval to provide such insurance at the request of the Secretary of Defense, and such other agencies as the President may prescribe, without premium in consideration of the agreement of the Secretary of Defense or such agency to indemnify by the Secretary against all losses covered by such insurance, and the Secretary of Defense and such other agencies are authorized to execute such indemnity agreement with the Secretary.

#### Reinsurance

##### Who May Be Insured

Sec. 1305. (a) To the extent that he is authorized by this title to provide insurance, the Secretary may reinsure, in whole or in part, any company authorized to do an insurance business in any State of the United States. The Secretary may reinsure with, or cede or retrocede to, any such company, any insurance or reinsurance provided by the Secretary in accordance with the provisions of this title.

##### Rates for Reinsurance

(b) Reinsurance shall not be provided by the Secretary at rates less than nor obtained by the Secretary at rates more than the rates established by the Secretary on the same or similar risks or the rates charged by the insurance carrier for the insurance so reinsured, whichever is most advantageous to the Secretary, except that the Secretary may make to the insurance carrier such allowances for expenses on account of the cost of services rendered or facilities furnished as he deems reasonably to accord with good business practice, but such allowance to the carrier shall not provide for any payment by the carrier on account of solicitation for or stimulation of insurance business.

#### Collection and disbursement of funds Treasury Revolving Fund

Sec. 1306. (a) Moneys appropriated by Congress to carry out the provisions of this title and all moneys received from premiums, salvage, or other recoveries and all receipts in connection with this title shall be deposited in a revolving fund in the Treasury of the United States. Payments of return premiums, losses, settlements, judgments, and all liabilities incurred by the United States under this title shall be made from such funds through the disbursing facilities of the Treasury Department.

##### Appropriations

(b) Such sums as shall be necessary to carry out the provisions of this title are authorized to be appropriated to such fund.

##### Revolving Fund Excess

(c) At least annually, any balance in the revolving fund in excess of an amount determined by the Secretary to be necessary for the requirements of the fund, and for reasonable reserves to maintain the solvency of the fund shall be paid into the Treasury as miscellaneous receipts.

##### Annual Payment of Costs

(d) Annual payments shall be made by the Secretary to the Treasury of the United States as miscellaneous receipts by reason of costs incurred by the Government through the employment of appropriated funds by the Secretary in carrying out the provisions of this title. These payments shall be computed by applying to the average monthly balance of appropriated funds retained in the revolving fund a percentage determined annually in advance by the Secretary of the Treasury. Such percentage shall not be less than the current average rate which the Treasury pays on its marketable obligations.

#### Civil Service Retirement System

(e) The Secretary shall contribute to the Civil Service Retirement and Disability Fund, on the basis of annual billings as determined by the Civil Service Commission, for the Government's share of the cost of the Civil Service Retirement System applicable to the employees engaged in carrying out the provisions of this title. The Secretary shall also contribute to the employees' compensation fund, on the basis of annual billings as determined by the Secretary of Labor for the benefit payments made from such fund on account of the employees engaged in carrying out the provisions of this title. The annual billings shall also include a statement of the fair portion of the cost of the administration of the respective funds, which shall be paid by the Secretary into the Treasury as miscellaneous receipts.

#### Administrative powers of Secretary Regulatory and Settlement

Sec. 1307. (a) The Secretary, in the administration of this title, may issue such policies, rules, and regulations as he deems proper and, subject to the following provisions of this subsection, may adjust and pay losses, compromise and settle claims, whether in favor of or against the United States and pay the amount of any judgment rendered against the United States in any suit, or the amount of any settlement agreed upon, in respect of any claim under insurance authorized by this title. In the case of any aircraft which is insured under the provisions of this title, (1) the policy shall specify a stated amount to be paid in the event of total loss, and such stated amount shall not exceed an amount determined by the Secretary, after consultation with the Civil Aeronautics Board, to represent the fair and reasonable value of the aircraft, and (2) the amount of any claim which is compromised, settled,

adjusted, or paid shall in no event exceed such stated amount.

#### Forms, Policies, Amounts Insured, and Rates

(b) The Secretary may prescribe and change forms and policies, and fix, adjust, and change the amounts insured and rates or premium provided for in this title: *Provided*, That with respect to policies in effect at the time any such change is made, such change shall apply only with the consent of the insured.

#### Manner of Administration

(c) The Secretary, in administering this title, may exercise his powers, perform his duties and functions, and make his expenditures, in accordance with commercial practice in the aviation insurance business. Except as authorized in subsection (d) of this section, no insurance broker or other person acting in a similar intermediary capacity shall be paid any fee or other consideration by the Secretary by virtue of his participation in arranging any insurance wherein the Secretary directly insures any of the risk thereof.

#### Employment of Aviation Insurance Companies and Agents

(d) The Secretary may, and whenever he finds it practical to do so shall, employ companies or groups of companies authorized to do an aviation insurance business in any State of the United States, to act as his underwriting agent. The Secretary may allow such companies or groups of companies fair and reasonable compensation for servicing insurance written by such companies or groups of companies as underwriting agent for the Secretary. The services of such underwriting agents may be utilized in the adjustment of claims under insurance provided by this title, but no claim shall be paid unless and until it has been approved by the Secretary. Such compensation may include an allowance for expenses reasonably incurred by such agent, but such allowance shall not include any payment by such agent on account of solicitation for or stimulation of insurance business.

#### Cooperation With Other Agencies

(e) The Secretary with the consent of any executive department, independent establishment, or other agency of the Government, including any field service thereof, may avail himself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this title.

#### Budget Program and Accounts

(f) The Secretary, in the performance of, and with respect to, the functions, powers, and duties vested in him by this title, shall prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended (59 Stat. 597; 31 U. S. C. 841). The Secretary shall maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial transactions as provided by the said Government Corporation Control Act: *Provided*, That, because of the business activities authorized by this title, the Secretary may exercise the powers conferred in said title, perform the duties and functions, and make expenditures required in accordance with commercial practice in the aviation insurance business, and the General Accounting Office shall allow credit for such expenditures when shown to be necessary because of the nature of such authorized activities.

#### Rights of airmen under existing law

Sec. 1308. This title shall not affect rights of airmen under existing law.



*Annual and quarterly reports to Congress*

SEC. 1309. The Secretary shall include in his annual report to Congress a detailed statement of all activities and of all expenditures and receipts under this title for the period covered by such report and in addition make quarterly progress reports to the Congress with reference to contracts entered into, proposed contracts, and the general progress of his insurance activities.

*Judicial review of claims*

SEC. 1310. Upon disagreement as to a loss insured under this title, suit may be maintained against the United States in the United States District Court for the District of Columbia or in the United States district court in and for the district in which the claimant or his agent resides, notwithstanding the amount of the claim and any provision of existing law as to the jurisdiction of United States district courts, and this remedy shall be exclusive of any other action by reason of the same subject matter against any agent or employee of the United States employed or retained under this title. If the claimant has no residence in the United States, suit may be brought in the United States District Court for the District of Columbia or in any other United States district court in which the Attorney General of the United States agrees to accept service. The procedure in such suits shall otherwise be the same as that provided for suits in the district courts by title 28, United States Code, section 1346 (a) (2), so far as applicable. All persons having or claiming or who might have an interest in such insurance may be made parties either initially or upon the motion of either party. In any case where the Secretary acknowledges the indebtedness of the United States on account of such insurance, and there is a dispute as to the persons entitled to receive payments, the United States may bring an action in the nature of a bill of interpleader against such parties, in the United States District Court for the District of Columbia, or in the United States district court of the district in which any such person resides. In such actions any party, if not a resident of or found within the district, may be brought in by order of court served in such reasonable manner as the court directs. If the court is satisfied that persons unknown might assert a claim on account of such insurance, it may direct service upon such persons unknown by publication in the Federal Register. Judgment in any such suit shall discharge the United States from further liability to any parties to such action, and to all persons when service by publication upon persons unknown is directed by the court. The period within which suits may be commenced contained in said act providing for bringing of suits against the United States shall, if claim be filed therefor within such period, be suspended from such time of filing until the claim shall have been administratively denied by the Secretary and for 60 days thereafter: *Provided, however*, That such claim shall be deemed to have been administratively denied if not acted upon within 6 months after the time of filing, unless the Secretary for good cause shown shall have otherwise agreed with the claimant.

*Insurance of excess with other underwriters*

SEC. 1311. A person having an insurable interest in an aircraft may, with the approval of the Secretary, insure with other underwriters in an amount in excess of the amount insured with the Secretary, and, in that event, the Secretary shall not be entitled to the benefit of such insurance, but

nothing in this section shall prevent the Secretary from entering into contracts of coinsurance.

*Termination of title*

SEC. 1312. The authority of the Secretary to provide insurance and reinsurance under this title shall expire at the termination of June 13, 1961.

## TITLE XIV—REPEALS AND AMENDMENTS

*Repeals*

SEC. 1401. (a) The act of May 20, 1926 (Air Commerce Act of 1926, 44 Stat. 568), as amended, is hereby repealed.

(b) The act of June 23, 1938 (Civil Aeronautics Act of 1938, 52 Stat. 973), as amended, is hereby repealed.

(c) Section 7 of Reorganization Plan No. 3 (54 Stat. 1233) and section 7 of Reorganization Plan No. 4 (54 Stat. 1235-1236), which became effective on June 30, 1940 (54 Stat. 231), are hereby repealed. No function vested in the Administrator by this act shall hereafter be subject to the provisions of section 1 (a) of Reorganization Plan No. 5 of 1950 (64 Stat. 1263).

(d) The act of August 14, 1957 (Airways Modernization Act of 1957, 71 Stat. 349), is hereby repealed.

(e) All other acts or parts of acts inconsistent with any provision of this act are hereby repealed.

*Amendments to acts relating to airports**Act Relating to Public Airports*

SEC. 1402. (a) The act of May 24, 1928, as amended (45 Stat. 728), is further amended by striking out the words "Civil Aeronautics Authority" wherever they appear and inserting in lieu thereof the words "Administrator of the Federal Aviation Agency."

*Federal Airport Act*

(b) The act of May 13, 1946, as amended (60 Stat. 170), is further amended as follows:

(1) By striking the words "Administrator of Civil Aeronautics" wherever they appear and inserting in lieu thereof the words "Administrator of the Federal Aviation Agency";

(2) By striking the word "Secretary" where it appears in sections 3 (a), 6, and 17, and inserting in lieu thereof the word "Administrator"; and

(3) By striking the words "Secretary of Commerce" wherever they appear and inserting in lieu thereof the word "Administrator."

*Government Surplus Airports and Equipment Act*

(c) The act of July 30, 1947 (61 Stat. 678), as amended, including the act of October 1, 1949 (63 Stat. 700), is further amended by striking the words "Administrator of Civil Aeronautics" wherever they appear and inserting in lieu thereof the words "Administrator of the Federal Aviation Agency."

*Alaskan Airports Act*

(d) The act of May 28, 1948, as amended (62 Stat. 277), is amended as follows:

(1) By striking the words "Administrator of Civil Aeronautics" and inserting in lieu thereof the words "Administrator of the Federal Aviation Agency";

(2) By striking the words "Civil Aeronautics Administration" and inserting in lieu thereof the words "Federal Aviation Agency";

(3) By striking the words "Secretary of Commerce" and inserting in lieu thereof the words "Administrator of the Federal Aviation Agency."

*Department of Interior Airports Act*

(e) The act of March 18, 1950 (64 Stat. 27), is amended by striking the words "Ad-

ministrator of Civil Aeronautics" and inserting in lieu thereof the words "Administrator of the Federal Aviation Agency."

*Washington National Airport Act*

(f) The act of June 29, 1940 (54 Stat. 686), as amended, is further amended by striking out the words "Administrator of the Civil Aeronautics Authority" in subsection (a) of section 1 and inserting in lieu thereof the words "Administrator of the Federal Aviation Agency," and by striking out the words "Civil Aeronautics Administration" in subsection (a) of section 4 and inserting in lieu thereof the words "Federal Aviation Agency."

*Second Washington Airport Act*

(g) The act of September 7, 1950 (64 Stat. 770), is amended by striking the word "Secretary" wherever it appears except in subsection (c) of section 8 and inserting in lieu thereof the word "Administrator"; by striking the words "Secretary of Commerce" from the first section of such act and inserting in lieu thereof the words "Administrator of the Federal Aviation Agency"; by striking the words "Department of Commerce" wherever they appear and inserting in lieu thereof the words "Federal Aviation Agency"; and by striking subsection (c) of section 8 and inserting in lieu thereof a new subsection as follows:

"(c) The United States Park Police may, at the request of the Administrator, be assigned by the Secretary of the Interior, in his discretion, to patrol any area of the airport, and any members of the United States Park Police so assigned are hereby authorized and empowered to make arrests within the limits of the airport for the same offenses and in the same manner and circumstances as are provided in this section with respect to employees designated by the Administrator."

*Amendments to the International Aviation Facilities Act*

SEC. 1403. The act of June 16, 1948 (62 Stat. 450), as amended, is further amended by striking the words "Administrator of Civil Aeronautics" and inserting in lieu thereof the words "Administrator of the Federal Aviation Agency", and by striking the words "Civil Aeronautics Administration" and inserting in lieu thereof the words "Federal Aviation Agency"; by striking paragraph (1) of section 2 and renumbering subsequent subsections; by striking the phrase "After consultation with the Air Coordinating Committee and" from section 3; by striking the phrase "with the unanimous approval of the Air Coordinating Committee," from section 6; and by striking the sentence reading "Transfer of property in foreign territory shall be made hereunder only after consultation with the Air Coordinating Committee," wherever it appears in section 8.

*Amendments to act relating to Coast Guard aid to navigation and ocean stations*

SEC. 1404. The act of August 4, 1949 (63 Stat. 495), as amended, is further amended by striking the words "Administrator of Civil Aeronautics" wherever they appear and inserting in lieu thereof the words "Administrator of the Federal Aviation Agency", and by striking the words "Civil Aeronautics Administration" wherever they appear and inserting in lieu thereof the words "Federal Aviation Agency."

*Amendments to Federal Explosives Act*

SEC. 1405. The act of November 24, 1942 (56 Stat. 1022), is amended by striking the words "Civil Aeronautics Board" and inserting in lieu thereof the words "Administrator of the Federal Aviation Agency."

### *Amendments to Federal Property and Administrative Services Act of 1949*

SEC. 1406. The Federal Property and Administrative Services Act of 1949, as amended, is further amended by striking the phrase "Administrator of Civil Aeronautics" in section 802 (d) (40 U. S. C. 474 (14)), and inserting in lieu thereof the phrase "Administrator of the Federal Aviation Agency."

### *Amendments to act relating to purchase and manufacture of materials and supplies*

SEC. 1407. The act of March 4, 1915, as amended (31 U. S. C. 686), is further amended by striking the phrase "Civil Aeronautics Administration" and inserting in lieu thereof the phrase "Federal Aviation Agency."

### *Amendments to Experimental Air Mail Act*

SEC. 1408. The act of April 15, 1938, as amended (39 U. S. C. 470), is further amended by striking the phrase "Civil Aeronautics Act of 1938" and inserting in lieu thereof the phrase "Federal Aviation Act of 1958."

### *Amendments to transportation of foreign mail by aircraft Act*

SEC. 1409. The act of August 27, 1940, as amended (49 U. S. C. 485a), is further amended by striking the phrase "Civil Aeronautics Act of 1938" and inserting in lieu thereof the phrase "Federal Aviation Act of 1958."

### *Amendments to act relating to transportation of regular mail to Alaska by air*

SEC. 1410. The act of October 14, 1940, as amended (39 U. S. C. 488a), is further amended by striking the phrase "Civil Aeronautics Act of 1938" and inserting in lieu thereof the phrase "Federal Aviation Act of 1958."

### *Amendment to provision in the Federal Trade Commission Act*

SEC. 1411. Section 5 (a) (6) of the act of September 26, 1914, as amended (15 U. S. C. 45), is further amended by striking the phrase "Civil Aeronautics Act of 1938" and inserting in lieu thereof the phrase "Federal Aviation Act of 1958."

### **TITLE XV—SAVING PROVISIONS AND EFFECTIVE DATE**

#### *Effect of transfers, repeals, and amendments Existing Rules, Regulations, Orders and So Forth*

SEC. 1501. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges which have been issued, made, or granted by the President, the Department of Commerce, the Secretary of Commerce, the Administrator of Civil Aeronautics, the Civil Aeronautics Board, the Airways Modernization Board, the Secretary of the Treasury, the Secretary of Agriculture, or the Postmaster General, or any court of competent jurisdiction, under any provision of law repealed or amended by this act, or in the exercise of duties, powers, or functions which, under this act, are vested in the Administrator of the Federal Aviation Agency or the Civil Aeronautics Board by this act, and which are in effect at the time this section takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Administrator or the Board, as the case may be, or by any court of competent jurisdiction, or by operation of law.

#### *Pending Administrative Proceedings*

(b) The provisions of this act shall not affect any proceedings pending at the time this section takes effect before the Secretary of Commerce, the Administrator of Civil Aero-

nautics, the Civil Aeronautics Board, the Chairman of the Airways Modernization Board, the Secretary of the Treasury, or the Secretary of Agriculture; but any such proceedings shall be continued before the successor agency, orders therein issued, appeals therefrom taken, and payments made pursuant to such orders, as if this act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Administrator of the Civil Aeronautics Board, the Secretary of the Treasury, or the Secretary of Agriculture or by operation of law.

#### *Pending Judicial Proceedings*

(c) The provisions of this act shall not affect suits commenced prior to the date on which this section takes effect; and all such suits shall be continued by the successor agency, proceedings therein had, appeals therein taken, and judgments therein rendered, in the same manner and with the same effect as if this act had not been passed. No suit, action, or other proceeding lawfully commenced by or against any agency or officer of the United States, in relation to the discharge of official duties, shall abate by reason of any transfer of authority, power, or duties from such agency or officer to the Administrator or the Board under the provisions of this act, but the court, upon motion or supplemental petition filed at any time within 12 months after such transfer, showing the necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the Administrator or the Board.

#### *Personnel, property, and appropriations*

SEC. 1502. (1) The officers, employees, and property (including office equipment and official records) of the Civil Aeronautics Administration of the Department of Commerce, and of the Airways Modernization Board, and such employees and property (including office equipment and official records) as the President, after consultation with the Civil Aeronautics Board, shall determine to have been employed by the Civil Aeronautics Board in the exercise and performance of those powers and duties vested in and imposed upon it by the Civil Aeronautics Act of 1938, as amended, and which are vested by this act in the Agency, shall be transferred to the Agency upon such date or dates as the President shall specify: *Provided*, That the transfer of such personnel shall be without reduction in classification or compensation, except that this requirement shall not operate after the end of the fiscal year during which such transfer is made to prevent the adjustment of classification or compensation to conform to the duties to which such transferred personnel may be assigned.

(2) Such of the unexpended balances of appropriations available for use by the Civil Aeronautics Administration of the Department of Commerce and by the Airways Modernization Board, and such of the unexpended balance of appropriations available for use by the Civil Aeronautics Board in the exercise and performance of those powers and duties vested in and imposed upon it by the Civil Aeronautics Act of 1938, as amended, and which are vested by this act in the Administrator, shall be transferred to the Agency upon such date or dates as the President shall specify, and shall be available for use in connection with the exercise and performance of the powers and duties vested in and imposed upon the Administrator by this act. Where provisions of this act which are to be administered by the Board are in substance reenactments (with or without

modifications) of provisions of the Civil Aeronautics Act of 1938, as amended, administered by the Board at the time this section takes effect, the Board, in carrying out such provisions of this act may utilize unexpended balances of appropriations made for carrying out such provisions of the Civil Aeronautics Act of 1938, as amended.

(3) All records transferred to the Administrator under this act shall be available for use by him to the same extent as if such records were originally records of the Administrator.

#### *Members, officers, and employees of the Board*

SEC. 1503. Nothing in this act (1) shall affect the tenure of office of any individual who is a member of the Civil Aeronautics Board at the time title IV of this act takes effect, or to nullify any action theretofore taken by the President in designating any such person as Chairman or Vice Chairman of the Board, or (2) subject to section 1502 (1), change the status of the officers and employees under the jurisdiction of the Board at that time.

#### *Separability*

SEC. 1504. If any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

#### *Effective date*

SEC. 1505. The provisions of this act shall become effective as follows:

(1) Section 301, section 302 (a), (b), (c), (f), (1), and (j), section 303 (a), section 304, and section 1502 shall become effective on the date of enactment of this act; and

(2) The remaining provisions shall become effective on the 30th day following the date on which the Administrator of the Federal Aviation Agency first appointed under this act qualifies and takes office.

And to amend the title so as to read: "An act to continue the Civil Aeronautics Board as an agency of the United States, to create a Federal Aviation Agency, to provide for the regulation and promotion of civil aviation in such manner as to best foster its development and safety, and to provide for the safe and efficient use of the airspace by both civil and military aircraft, and for other purposes."

Mr. MAGNUSON. Mr. President, I move that the Senate disagree to the amendments of the House of Representatives, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. MONROE, Mr. SMATHERS, Mr. BIBLE, Mr. BRICKER, Mr. SCHOEPEL, and Mr. PAYNE the conferees on the part of the Senate.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

### **DISTRICT OF COLUMBIA CHARTER ACT**

The PRESIDING OFFICER. The Chair lays before the Senate the pending business, which will be read by title.



The LEGISLATIVE CLERK. A bill (S. 1846), Calendar No. 1749, to provide for the District of Columbia an appointed Governor and Lieutenant Governor, and an elected legislative assembly and non-voting Delegate to the House of Representatives.

#### INFLATION AND THE RECESSION

Mr. BENNETT. Mr. President, this is the fourth of my statements presenting my observations and analysis of the material presented to the Finance Committee in its hearings on the economic condition of the United States.

Today, I shall turn my attention briefly to the place of inflation in the current pattern of our economy, the present phase of which we call a recession.

Interestingly enough, the committee's hearings in 1957 were going on in the last weeks of a boom. They ended in the middle of August, at the beginning of the third quarter—now recognized as the peak of that boom. This year's hearings were held in April, which at this point seems to have been the trough of the following recession. When read against this background, the almost complete reversal of the pattern of testimony and questioning is easily understood. What is not so easy to account for is the vital economic element which was not reversed—the course of the inflation. Prices continued to rise steadily, both during the boom and during the period of decreasing economic activity. Only in the last 2 months, as the general economic indices have slowly begun to turn up again, has the rate of increase in the consumer-price index begun to level off.

Before beginning a discussion of the relation of inflation to economic activity, and particularly to the current recession, I want to call attention to one general

problem which exists whenever comparisons are made, and which was glaringly evident in the testimony and questioning in our hearings. The key to the validity of any comparison is the soundness and breadth of the figures which are used as the base and reference point. When every witness or questioner is free to select his own base, it is a rare situation that cannot be manipulated to prove a preconception or a prejudice. The confusion can then be compounded further by translating comparisons into percentages, which permits anyone to select one particular phase of any relationship and exaggerate it. If ours had been a truly objective investigation, we would have sought, first, and always, to establish common bases and reference points to which all comparisons could be referred, as is done in building official economic indices. But the Finance Committee's hearings turned out to be an economic investigation participated in by men whose approach was essentially political. In the hearings of 1957, most of the testimony was from two administration witnesses, Secretary of the Treasury George M. Humphrey and Under Secretary W. Randolph Burgess; and most of the questions put to them came from men who opposed them in political loyalties and economic philosophy. Very frequently, figures covering the same area of information could be—and were—selected to support conclusions which were exactly opposite to each other. To me, this was very unfortunate, and not only largely destroyed the potential value of the hearings, but made it practically impossible for the committee to bring out a meaningful official report.

Of course, in writing these personal reports, I have had to select the bases for my comparisons, and am therefore open to the attack that Shakespeare

leveled against the Devil—of quoting scripture to my purpose. I also know that those who read the figures I use will use their own economic set of values in interpreting them. I hope the figures will hold up as being reasonably objective and dependable.

Since I have related the time pattern of the hearings to the present boom-recession cycle in which we still find ourselves, my task today should be first to identify the major points in the sequence of change, and then to measure the extent of the various changes. For purposes of this presentation, I have set the last quarter of 1954 as the beginning of the boom, and the third quarter of 1957 as its peak—a period of 33 to 36 months. Most of the indicators began their rise in the third quarter of 1954, but the boom rise did not become clear until the fourth quarter of 1954. From what we know now, it would seem that the low point of the recession may have been reached in April 1958. Thus the slide covered a period of 8 months, less than one-fourth as long as that of the rise. The extent of the improvement since April has been small, but large enough to mark what seems now to have been the time of the turn.

In order to measure the extent of these movements, I have prepared a table which shows the most important economic figures as of these dates, and I measure the extent of change by showing the percentage of rises against the 1954 base, and the declines against the third quarter of 1957.

At this point in my statement I ask unanimous consent to have printed in the RECORD the table to which I have referred, together with footnotes which follow.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—Changes in selected economic indicators (annual rates) quarterly averages 4th quarter 1954, 3d quarter 1957, 2d quarter, 1958

	4th quarter 1954 (billions)	3d quarter 1957 (billions)	Percent change 4th quarter 1954 to 3d quarter 1957	2d quarter 1958 (billions)	Percent change 3d quarter 1957 to 2d quarter 1958
Gross national product.....	\$370.8	\$445.6	+20.3	\$428.0	-4.0
Expended for new plant and equipment <sup>1</sup> .....	26.2	37.8	+44.3	31.4	-17.0
Industrial production <sup>2</sup> .....	128.0	145.0	+13.3	128.0	-11.7
New construction:					
Total private and public.....	41.5	48.2	+16.1	47.4	-1.7
Total private.....	29.5	34.1	+15.6	32.8	-3.8
Total private residential.....	17.0	16.9	-.6	16.2	-4.1
Farm income, net total.....	12.1	11.8	-2.5	13.6	+15.3
Personal income.....	294.2	351.8	+19.5	350.0	-.5
Consumer expenditures:					
Total.....	243.2	288.3	+18.5	288.0	-.1
Durable goods.....	33.9	40.4	+19.1	35.6	-11.9
Nondurables.....	121.0	140.5	+16.1	141.1	+4
Services.....	88.3	107.4	+21.6	111.3	+3.6
Retail sales.....	14.4	17.0	+18.0	16.5	+2.9
Total consumer credit outstanding.....	32.3	43.3	+34.1	43.0	-.7
Units as of July 19—					
Percentage change					
	1955	1957	1958	1955-58	1957-58
Passenger-car production (total domestic).....	4,717,949	3,676,406	2,429,367	-48.6	-34.0

<sup>1</sup> Estimates based on anticipated capital expenditures as reported by business in May 1958.

<sup>2</sup> Index numbers. Industrial production index was 130 as of June 1958.

Sources: Economic Indicators, July 1958. Automobile Manufacturers Association. U. S. Department of Commerce.

Mr. BENNETT. Because of their complex nature, unemployment figures are not included in table I. Instead I have shown detailed employment and

unemployment data over the same time period of the cycle in table II.

I ask unanimous consent to have printed at this point in my remarks a

table, with footnotes, which I have marked table II.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—Population, civilian labor force, employed, unemployed, 4th quarter 1954; 3d quarter 1957; 2d quarter 1958; quarterly averages, seasonally adjusted

	4th quarter 1954	3d quarter 1957	2d quarter 1958	June 1958
In thousands of persons				
I. Basic data:				
Population (all ages) <sup>1</sup>	163,473	171,516	173,652	173,885
Civilian labor force <sup>2</sup>	64,431	67,948	68,818	68,634
Employed	61,092	64,996	63,792	63,707
Unemployed	3,452	2,944	4,946	4,687
In percentages				
II. Ratios:				
A. As a percent of population:				
Civilian labor force	39.4	39.6	39.6	39.5
Employed	37.4	37.9	36.7	36.6
Unemployed	2.1	1.7	2.8	2.7
B. As a percent of civilian labor force:				
Employed	94.6	95.7	92.8	93.2
Unemployed	5.4	4.3	7.2	6.8

<sup>1</sup> Population includes members of the Armed Forces. Quarterly data relate to the midmonth of each quarter.

<sup>2</sup> Seasonally adjusted civilian labor force differs somewhat from the sum of the seasonally adjusted employment and unemployment because independent factors were used for each category.

<sup>3</sup> Compares with rates of 7.5 and 7.2 percent in April and May respectively.

Sources: U. S. Bureau of Census. U. S. Department of Labor, Bureau of Labor Statistics.

Mr. BENNETT. The presentation is more elaborate than the usual employment-unemployment data. The comparison with population is included for two reasons. First, it gives a better perspective to the true unemployment situation. It can be seen that, percentage-wise, there has been only a small employment variation in terms of population over the cycle. Second, the total population figure is a more stable comparative base than is the civilian work force. The latter is subject to definitional and actual changes.

It is both interesting and alarming that prices have pushed relentlessly upward through both the boom and the recession. In Table III are shown the average monthly changes in the Consumer Price Index over the period of the cycle, fourth quarter October 1954 to the second quarter April 1958.

I ask unanimous consent that the third table, with footnotes, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—Average monthly consumer price changes over business cycle 4th quarter (October) 1954–2d quarter (April) 1958

Period of business activity <sup>1</sup>	Increase in Consumer Price Index	Length of period (months)	Average monthly price change
I. Long upward trend of general business (October 1954–August 1957)	6.5	34	0.19
II. 1st half of rise, business very active (October 1954–March 1956)	.2	17	.01
III. Last half of rise, business activity tapering off (March 1956–August 1957)	6.3	17	.37
IV. Period of recession (August 1957–April 1958)	2.5	8	.31

<sup>1</sup> Measured in terms of the general trend of the various indicators listed in table I.

Source: Adapted from Consumer Price Indexes. U. S. Department of Labor.

Mr. BENNETT. Mr. President, it is interesting to note that prices rose almost two-thirds again as fast during the 8 recession months as during the 34 months of the business rise, and rose nearly as fast as the sharpest rise on the boom side. Prices were stable during the first half of the general business expansion; but they rose sharply during the last half of the general business expansion, and continued their steep climb through the recession.

Concerning the facts shown in table III, three observations are in order. I think these observations disprove, for the present cycle at least, some commonly held notions about the relation-

ship of price increases and general economic activity. Note in the table that—

First, Price increases were not generating factors to the business boom. Thus, those who argue that a small inflation is conducive, or even necessary, to business expansion, are expressing hearsay, not facts.

Second, When prices were in their steep climb, general business activity was in the generally tapering phase of the rise.

Third, Sharp price rises have persisted through the recession. Apparently, then, there are inflationary forces at work which bear no relation to general business conditions.

As I outlined in my first and third speeches in this series, there are at least three forces at work: (a) the power of unions; (b) the psychological, if not the material, effects of the Employment Act of 1946; and (c) the fact that inflation has become acceptable among so many of our citizens and public leaders.

I wish to add that although price increases did not play a part in generating the business expansion, because prices did not rise during this early period, they did play an important role in bringing on the subsequent recession. I wish to discuss this further when I come to a consideration of recession causes.

It has been assumed in the analysis I have given that the second quarter, and specifically April, was the bottom of the cycle. I have shown in table IV reliable, widely used data which bear out this assumption.

Recent business cycle analysis, based on the pioneer efforts of the National Bureau of Economic Research, and adapted by other groups, draws statistics from 21 different areas covering the important segments of the economy—production, employment, income, and so forth. The basic 21 are broken down into three groups, called the leading group, the coincident group, and the lagging group.

The leading series is the most important because it generally gives the first indications, usually 3 to 8 months in advance, as to where the economy is going, rather than where it is, or where it has been. In table IV I have shown the leading group as a separate series, but I have also shown the composite indexes of the other groups for the total picture.

I ask unanimous consent that table IV be printed at this point in the RECORD.



There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE IV.—Trends in economic indicators, 1958

Indicator	Changes from preceding month				
	February	March	April	May	June
<b>LEADING SERIES</b>					
1. Business failure liabilities <sup>1</sup> .....	Up.....	Down.....	Down.....	Up.....	Down.....
2. Industrial stock prices.....	Down.....	Up.....	Down.....	Up.....	Up.....
3. Durable goods, new orders.....	(2)	Up.....	Down.....	Up.....	Up.....
4. Residential building construction awards.....	Down.....	Up.....	Up.....	Up.....	Up.....
5. Nonresidential building construction awards.....	(2)	Down.....	Up.....	Up.....	Up.....
6. Average hours worked.....	Down.....	Up.....	Down.....	Up.....	Up.....
7. New incorporations.....	Down.....	Down.....	Up.....	Up.....	Up.....
8. 22 wholesale commodity prices.....	Up.....	Down.....	Down.....	Up.....	(2)
<b>COMPOSITE INDEXES</b>					
8 leading series.....	Down.....	Up.....	Down.....	Up.....	Up.....
2 coincident series.....	Down.....	Down.....	Down.....	(2)	Up.....
5 lagging series.....	Down.....	Down.....	(2)	Down.....	Down.....
21 composite series.....	Down.....	(2)	Down.....	Up.....	Up.....

<sup>1</sup> Inverted.

<sup>2</sup> No change from previous month.

<sup>3</sup> Estimated.

Source: Statistical Indicator Reports, July 23, 1958. Great Barrington, Mass.

Mr. BENNETT. I think it is significant that this is the shortest of the three postwar recessions. The 8-month 1957-58 recession was just slightly deeper than the previous 2; but, based on most key indicators, it was approximately 2 months shorter than the 1948-49 decline, and approximately 4 months shorter than the 1953-54 drop.

At this point I probably should make it clear that in using the word "recession" in this particular paragraph I am referring to a period during which business activity continues to fall off. Many persons assume the word "recession" covers the whole period between one peak and the next one. The word itself, meaning to withdraw or to turn back, would indicate that, technically, it refers only to the period of the slide.

The administration deserves great credit for the wisdom and foresight shown in the economic policies announced early this year during the decline. By resisting the clamor for panic programs, which certainly would not have helped the present situation, the administration prevented a great increase in the risk of damage to the economy that would have resulted from more rapid inflation.

I come now to the causes of the recession as developed from the testimony and statements placed in the record of the Finance Committee.

Since we are still in the low side of the total cycle, the direct interest in the 1958 hearings, and in the responses to questionnaires sent out this spring, has been in the recession and the probable causes which produced it. A careful review of the committee's record revealed more than 20 specific ideas of probable causes, all but one of which—somebody suggested the epidemic of Asiatic flu as a cause of the recession—can be correlated within four areas:

First. Policies of the Federal Government.

Second. Policies and problems of the business and industrial community.

Third. Economic policies and problems of the individual.

#### Fourth. Inflation.

Within the area of Federal responsibility such ideas as these were suggested as contributing to the recession:

(a) The policy of the Federal Reserve Board in restraining the rate of growth in the money supply in 1956-57.

(b) Increasing Government interference with the private sector of the economy.

(c) Cuts in defense spending in 1957.

(d) Inadequate economic leadership from the White House.

(e) Decline in the confidence in peaceful international conditions.

(f) The present administration's management of the public debt. There was much more discussion on this in the 1957 hearings than in 1958.

I am not going to discuss all of these in detail, but this last one—the present administration's management of the public debt—deserves a special comment here. This consumed most of the time in the 1957 hearings, and generated most of the heat. From my point of view, it rarely rose above the political level, and the "hard money—easy money" debate was largely slanted at the development of a political issue and conducted in an atmosphere of personal attack and defense, involving post-mortems in judgment after all the effects of an action could be measured. It was like Monday morning quarterbacking by the opposing team. I felt that all these aspects destroyed any significance it might have had, so have not devoted any time to it in these statements.

In the industrial and business field, these factors as causes of the recession were noted:

(a) Effects of previous overexpansion in both productive capacity and sales effort.

(b) Decline in investment spending.

(c) Decline in volume of inventory.

(d) Rising costs and declining profits.

(e) Improper division of national income between wages and profits—this was attacked from both points of view.

Turning to the problems and decisions of the individual, these were suggested:

(a) Failure of consumer purchasing power to expand fast enough.

(b) Reduced consumer expenditures in some fields.

(c) Shift of buyers away from some fields, particularly from durable goods, and more specifically from houses and automobiles.

(d) Earlier unwise increase in consumer debt volume, created by excessive use of personal credit resulting first in excess sales and later in necessary reduction in volume.

Referring to the fourth and final field, inflation, it was recognized that this was involved in all the others, but two phases of it were emphasized:

(a) The continuing increases of wages at a rate greater than the increase in productivity.

(b) The general lack of—and need for—sound understanding of inflation, both in terms of previous historical American business booms and busts and its general causes, effects and cures.

If we further consolidate our material relating to all economic activity, we soon discover that most of these many factors are part of one basic idea. The idea is that, under our system of privately owned and privately managed capital operating in free markets, we shall always have periods of overexuberance and overexpansion, followed by compensating periods of normal and necessary readjustment. This is a typical business cycle and is represented by the period covered in table I. From fourth quarter, 1954 to the second quarter, 1958. It is the third such cycle since the end of World War II.

If one reads the record, this is the testimony directly or indirectly of nearly all the witnesses. Of course, there is no common pattern of definite and individual statements. Some merely listed areas of decline—without relating them. For example, we have the total reply of Prof. Paul Samuelson, of Massachusetts Institute of Technology, to the committee questionnaire in this short, terse statement:

The 1957 recession came from (1) cuts in defense spending, (2) cuts in fixed investment spending by business, (3) inventory decumulation, and a number of minor factors.<sup>1</sup>

But there are many other replies which were more definite in referring to the process of readjustment.

Dr. Sumner Slichter made one of the most comprehensive analyses of causes of this recession, and I would like to draw on his expert knowledge first. He said:

There are two ways of looking at the recession which are not contradictory, but it is useful to use each of them.

One way is to regard the recession as a normal adjustment to a slower rate of growth aggravated by some unfortunate outside events such as credit policy, procurement policies of the Defense Department,

<sup>1</sup> Investigation of the Financial Condition of the United States, Compendium of Comments to the Finance Committee Questionnaire, U. S. Senate, 85th Cong., p. 676.

and, later in the recession, introduction of the 1958 cars which the public didn't seem to care for.

The high level of investment activity attained in 1956 made the economy vulnerable to contraction, since it was natural for enterprises to slow down the increase in their investment spending.<sup>2</sup>

Note that he said the three outside influences were only aggravating influences on a more basic cause—that of a boom readjustment. He continues:

Now there is another way of looking at the recession, which is not in conflict with the first way, and that is to regard it as the result of the failure of new dynamic influences to develop to replace old dynamic influences that were petering out.

You can regard the economy as being kept going by a collection of shots in the arm from this, that and other new dynamic influence. These shots in the arm occur rather irregularly. Hence one must expect the level of activity in the economy to reflect this irregularity of these shots in the arm.<sup>3</sup>

Chairman William McChesney Martin, of the Federal Reserve Board, made it perfectly clear that he believes that the old basic law "every action brings an equal and opposite reaction" applies to economics when he cited the figures pertaining to the boom and now the adjustment:

Now the current recession is a reaction to both investment boom and the inflation which accompanied it. The growth of business capital spending beginning in early 1955 was at a rate that was unsustainable. An economy with a long-run upward growth trend of about 3 or 4 percent per year cannot sustain for long an increase in business investment of about 10 percent per year in real terms such as we experienced in 1955-56. The investment spending even if prolonged by inflationary trends, had at some point to slow down.<sup>4</sup>

R. G. Rinchliffe, president of the Philadelphia Electric Co., along this same line, said:

Our present economic recession stems from an oversupply of goods created by overinvestment in facilities without a corresponding increase in the demand for goods. The high inventory situations of many of our basic industries have been accumulated as a result of overspeculative production.<sup>5</sup>

H. J. Livingston, president of the First National Bank of Chicago, offered the following:

Thus, with the benefit of hindsight, it can be suggested that the current recession is in part the result of an unsustainable rate of increase in consumer spending which in turn tended to stimulate too rapid an increase in capital spending. One byproduct of these two developments has been an adjustment in inventories which began to develop early in 1957 and accelerated in the final quarter. A further contributing factor to declining production was the reduction in the Federal Government purchases of goods and services and the slowdown in contract payments and new Government orders that occurred in the latter part of 1957.

Such excessive economic activity inevitably is followed by a period of adjustment.<sup>6</sup>

J. S. Rockefeller, president of the First National City Bank of New York, said:

The current recession is a natural reaction to an over exuberant boom.<sup>7</sup>

Many other quotations should be repeated here, but I think the brief and succinct statement of Bernard Baruch is both a perfect summary of this idea and an excellent introduction to the discussion of the part inflation has played. He said:

We are now suffering a hangover after a long inflationary binge.<sup>8</sup>

In commenting further Mr. Baruch said that, this being true, the way out of the recession could be found in price reductions. I quote:

Nothing would be more effective in turning the tide than to halt the never-ending spiral of wages and prices. The best stimulant to our economy would come from price reductions. The consumer, who has no lobby or bargaining agent, is belatedly rebelling against having every wage and cost increase passed on to him. If industry and labor continue to push up wage, price, and profit levels, they will price themselves out of the market. Consumer resistance will grow, further depressing economic activity and adding to unemployment. Foreign goods will enter our markets in increasing quantities, with unsettling effects on our domestic economy, our tariff policies and our allies and friends.<sup>9</sup>

His point of view was supported by a number of other witnesses who expressed the belief that the rise in prices—at both consumer and supplier levels—was not only one of the fundamental forces that created the boom, but also the one that finally broke its back, and brought on the recession.

Mr. K. S. Adams, chairman of the board of Phillips Petroleum Co., made the following statement to the committee:

The direct causes of the current recession include a shift from accumulating to liquidating inventories, a decline in the business investment boom, and a lag in consumer spending, especially for automobiles. Underlying these is the sustained rise in prices.<sup>10</sup>

And J. S. Jerome, president of the Seattle First National Bank, stated his understanding of this chain reaction as follows:

The major reasons for this recession are reductions in expenditures for capital goods and business inventories. These in turn reflect a rapid increase in productive capacity and the reluctance of consumers to absorb the increased output at current prices. In a large sense, what we are undergoing is a rebellion against rising prices.<sup>11</sup>

The experience of the automobile industry during the period covered by our chart is an interesting example of the cyclical movement we have been discussing, and the effect of inflation on it. In this industry, 1955 was the high year for American manufacturers, when 8 million passenger cars were produced. Volume has been dropping ever since, with 1958

running at a rate 34 percent below 1957 and 49 percent below the 1955 peak. In spite of falling volume both the size and complexity of the cars—and the level of prices for them—kept increasing, as did the cost of gasoline required for their expanding horsepower. At the same time cheaper, smaller, and more economically run foreign cars, were increasing their penetration of our market. The one American manufacturer who saw this trend in time is the only one for whom 1958 has been a year of gain, not recession. Rambler sales are currently running 70 percent above 1957 levels.

The example of this industry demonstrates again that the consumer has the last word, and unless price, design, and specifications attract him, he will not buy. That he is exercising this sovereign right in 1958 was suggested both by academic economists like Dr. Slichter and businessmen like Fowler P. McConnell, president of Sears-Roebuck & Co. Dr. Slichter said:

Although poor automobile sales are partly a result of the recession, the unattractiveness of the 1958 cars appears to be an independent contributing cause of the recession. In spite of the recession, the drop in the buying of houses and most household durables is much less than the drop in the buying of cars.<sup>12</sup>

Mr. McConnell wrote the committee:

The reduced demand for consumer durable goods was particularly evident in the case of automobiles. Consumer resistance to higher prices, lack of enthusiasm for the new models, and probable unwillingness to add to a record high burden of installment debt, are all involved.<sup>13</sup>

A decline in consumer purchasing such as this has a compound force in producing recession—not only multiplying its effects at every level of production and distribution—but contributing to debilitating inventory liquidation, and the reduction of capital investment. Both of these have occurred in the past year. And speaking of capital investment, falling volume also produces falling profits, which in turn weakens not only the incentive for further investment of capital, but also dries up the funds from which to finance it. Adequate profit is necessary as a base for capital investment, for all of it must either come from retained earnings or the sale of new stocks and bonds whose attractiveness is largely measured by previous earnings records.

In my third statement, I discussed the effects of rising wages on inflation—when they rise faster than productivity. The higher costs they produce push prices up, and inflation results. But the last 10 months have shown us again that when consumers will not pay the higher prices, volume drops, unemployment rises, profits shrink, and the recession results.

This pressure against profits has persisted ever since the crash of 1929—even when times were good and profits rose—when this happened the pressure to cut them down again increased. This has been true in the period we are dis-

<sup>2</sup> Ibid, hearings, p. 1822.

<sup>3</sup> Ibid, p. 1826.

<sup>4</sup> Ibid, p. 1848.

<sup>5</sup> Ibid, compendium, p. 311.

<sup>6</sup> Ibid, pp. 287-288.

<sup>7</sup> Ibid, p. 315.

<sup>8</sup> Hearings, p. 1635.

<sup>9</sup> Hearings, p. 1637.

<sup>10</sup> Compendium, p. 166.

<sup>11</sup> Compendium, p. 225.

<sup>12</sup> Prepared testimony of Sumner Slichter, p. 10.

<sup>13</sup> Compendium, p. 390.



cussing. In the boom phase—from 1955 to 1957—employee compensation increased 14 percent—productivity rose only one quarter as fast, 3.4 percent; and profits shrank 3.5 percent. That this pressure on profits has helped to bring on recession was recognized by several businessmen witnesses. I shall quote the statements of three.

First, Mr. Milton Lightner, president of Singer Sewing Machine Co., and president of National Association of Manufacturers wrote the committee:

The present economic situation shows the following characteristics:

1. Recession, as indicated by rising unemployment and falling industrial output.
2. Inflation, as indicated by price rises.
3. Impaired prospects for long-term growth as indicated by the low level of net growth of business capital and dependence on inflation to support the load of business debt.

One of the causes of the economic condition which is revealed by the above symptoms is the stagnation of profits and the declining prospect of profitability commensurate with effort and risk in business ventures. \* \* \* The source of the squeeze on profits has been the upper millstone of labor costs rising at a faster rate than national productivity and the nether millstone of restrictive money policy.<sup>14</sup>

Newton L. Thomas, president of the National Coal Association, gave this opinion:

The major causes of the current recession are:

- (1) Excessive use of consumer debt, bringing about curtailment of consumer expenditures until the current obligations are liquidated;
- (2) Narrowing profit margin for producers and distributors, brought about in large part by increasing wages and other costs, on the one hand and relatively fixed revenues on the other; and
- (3) Heavy Government expenditures due in large part to defense needs, but which have the effect of preventing free communication of economic forces on the operation of factors which would adjust our economy between excessive inflation and deflation.<sup>15</sup>

Harlow Curtice, president of General Motors, said:

A factor that contributed to the downturn in business activity was the wage-cost push which began to squeeze profits.<sup>16</sup>

I recognize that thus far these are the words of businessmen with perhaps a special ax to grind. However, the same observations were made by some of the leading college economists. Charles R. Whittlesey, professor of finance and economics at the University of Pennsylvania, ascribed, among other causes relative to the overextension of 1955, the following as a recession cause:

Shortsighted price and wage policies for which both employers and union leaders are responsible.<sup>17</sup>

With these comments I shall conclude my presentation of the thesis that this recession is the normal and necessary readjustment after an unsustainable boom whose forces were operating during 1957. Both the boom and the recession have been aggravated by the

continuing forces of inflation. These forces, most of which were generated in World War II, and some of which were strengthened in postwar economic policies, seem still to be with us.

Dr. Gottfried Haberler, of Harvard, describes our present situation as chronic inflation. He said:

If the boom (of 1955-57) had not occurred in a period of chronic inflation, the Federal Reserve could have afforded to act more promptly and more vigorously once it became clear that the back of the boom had been broken.<sup>18</sup>

Today our American economic body is suffering from two diseases—recession and inflation. In the past these two have rarely been present at the same time. In fact, recession usually helped cure inflation. But with both present, we have some basic decisions to make as a people and as a government. First, we must decide which is the more serious problem, and which solution is to take precedence, in case attempts to cure one may tend to aggravate the other.

To me there is one obvious answer. The economic cycle is natural in a free economy, reflecting our own very human tendency to recurring periods of overexuberance and necessary readjustment and restraint. When we work too hard, we have to rest. When we are extravagant, we have to go through a following period of penny pinching. These readjustments are more or less automatic. But inflation is a dangerous retreat from reality, an attempt to escape the consequences of our own mistakes, a hope of something for nothing. It has the quality of a narcotic, requiring ever larger doses.

If we recognize inflation as the more serious problem and concentrate on curing it, the cure of the immediate recession may be delayed. But if we consider recession the greater evil, and deliberately whip up more inflation as a means of speeding up the rate of the already developing recovery, we will not only increase the malignancy of the monetary disease but we will also weaken our power to cope with it. If this happens, I am sure we will be setting the stage for another and inevitably more serious depression, which a wilder inflation will make worse.

#### PROPOSALS FOR CURING THE RECESSION

Earlier this year it was painfully evident that many people in and out of Government wanted the short-run economic benefit of rapid recovery even at the expense of long-range inflationary damage. Though this is shortsighted, it is very human. In the upswing of the cycle we are dazzled and blinded by our hope that this will never stop. On our way down we stumble in darkness, thinking that we may be slipping into a bottomless chasm calling anxiously for help, eager to grasp at anything.

Earlier this year we heard a rumble for massive Government intervention to prevent a full-fledged depression. This phrase came from Arthur Burns, former Chairman of the President's Council of Economic Advisers, who asked for just such action last February. Although the clamor has died down somewhat in re-

cent weeks, it still crops up in various high places.

As recently as June 25 the distinguished Senator from Illinois, a member of the Finance Committee which conducted this study, in an article in the *ADA World*, gave this gloomy forecast and plea:

We are in a very serious recession. It is potentially more dangerous than either the 1948-49 or 1953-54 recessions, because it gives all the appearances of being a capital goods or investment recession rather than only an inventory recession, as the others were. In such a situation there is always the danger of a cumulative breakdown of the economy. While I am not predicting that this will happen, there is a real danger that it can happen. With employment, investment, and production at decreasing levels, the recession could snowball and avalanche downward very quickly. If that happened it would take massive applications of tax reductions, public works, monetary policies, and Government expenditures of all kinds to bring an upturn.

I know there are those who denounce any effort to make the facts known. It is said that this rocks the boat and destroys confidence. I do not subscribe to this point of view. I believe that those who cause the difficulty are the blind optimists who try to administer soothing slurp to the public. It is time for the administration to wake up to what has happened and to stop trying to bamboozle the people.<sup>19</sup>

That statement was made on June 25. It seems now that the turn came about the first of May.

There is much material in the record of the committee in 1958, and more in the record of the Senate itself, which indicates that this was the point of view of most people earlier this spring. There was a call for a two-pronged attack on the recession. Many of us were eager to forget all thoughts of sound fiscal policy and move in both directions away from a balanced budget, by simultaneously cutting taxes drastically, and stepping up Federal spending in all directions, particularly in the field of public works. At the same time, increases in public and private debt were to be encouraged and hastened by soft money policies. Among those who held this general view, the only disagreement was as to whether one or all methods should be used, and which should be emphasized.

There were many tax cutters and many public spenders. But in their answers to the committee's questionnaire, by far the overwhelming majority of the respondents favored a tax cut over increased spending for public works. Among the most commonly mentioned arguments against public works were these:

- First. They are irreversible in nature.
- Second. They would not get started in time, and might come into the next boom phase of the cycle and add to inflation.
- Third. They tend to enlarge the size of basic government and its bureaucracy.

Fourth. They are inefficient in effect because they seldom occur in centers of existing unemployment. Detroit needs no new dams.

At the same time, it was pointed out that expenditures made in education and research would have long-range value. Unfortunately, in these fields, we have a

<sup>14</sup> Ibid., pp. 439-440.

<sup>15</sup> Ibid., p. 510.

<sup>16</sup> Ibid., p. 202.

<sup>17</sup> Ibid., p. 709.

<sup>18</sup> Ibid., p. 627.

<sup>19</sup> *ADA World*, June 25, 1958.

shortage, not a surplus, of trained people. But even with these limitations, there were responses favoring public works which can be represented by the statement of Dr. Andreas G. Papandreou, chairman of the department of economics at the University of California, who was in favor of more spending, when he wrote:

I am much more impressed by the likelihood of success (success in the sense of cushioning the recession) of public expenditures. Public expenditures can be structured along regional lines in a fashion which will provide relief exactly where it is needed. Admittedly it takes time to begin spending appropriated money, but if my guess is correct that the recession will have depth and length this should not be a serious obstacle.

It is not necessary for me to detail the nature of public expenditures which might be undertaken. Military projects, highway construction, and school-building programs should provide the major outlets. So far as the magnitude of the required expenditures is concerned, one can only guess. It seems to me that additional expenditures of between 5 and 8 billion dollars over the next 2 years will be adequate in providing a high floor to the current recession.<sup>20</sup>

I might add that already this year we have legislated an estimated \$12 billion deficit for the current fiscal year of 1959.

Among the more numerous suggestions for tax reductions, there was a wide variety of specific proposals. Many different suggestions for tax changes affecting business were made. Prof. Charles C. Abbott of the University of Virginia suggested the elimination of all Treasury regulations affecting depreciation allowances. He wrote:

Let business management use its own judgment—so long as practice was consistent from year to year—a great stimulus would be given to business investment, one of the major keys to increased employment.<sup>21</sup>

Others urged long-range revisions such as those suggested in the Sadlack-Herlong bill.

In the field of personal income taxes many temporary programs were offered, including:

First. Suspension of the withholding feature for a limited period;

Second. A cut in rate on the first \$2,000 of income;

Third. A refund of 10 percent on 1957 taxes.

One witness, Mr. S. C. Beise, president of the Bank of America National Trust and Savings Association, even suggested delegating to the President some power to alter tax schedules. These were his words:

Study the possibility of delegating to the President or Secretary of the Treasury (possibly with the concurrence of the appropriate committees of the Congress), the authority to reduce or raise personal or corporate income taxes when in his, or their judgment this seems desirable.<sup>22</sup>

While this record was being developed in the committee, Congress was acting. Its decision was against massive tax cuts or major changes in tax philosophy, and in favor of increased spending. Professor Slichter recognized this in his per-

sonal appearance before the committee on April 18, 1958, in saying:

It seems to me that perhaps without really facing up to this issue Congress has decided it, because if Congress were to use the device of the tax cut, the time to have done that would have been early in 1958. Furthermore, it would have been desirable, in connection with the tax cut, to have gone easy on increasing spending.

But Congress did nothing about taxes. Congress provided for various increases in expenditures, and now, I think, we are going to need all of the money which our present tax rates will yield.

I do not object to a deficit in the cash budget if circumstances are appropriate for it. I think, as I said a little while ago, that we shall need in the next year a deficit of somewhere around 5 or 6 billion in the cash budget, but I am not prepared to advocate making large additions to that deficit by making important tax cuts.<sup>23</sup>

Congress has accepted to a degree the thesis that the recession is more serious than the inflation, and that to cure one, we must be willing to increase the other. Congress, by voting new spending programs in the face of falling revenues helped to create the deficit of \$2.8 billion in fiscal 1958 and has committed the Government already to a deficit for fiscal 1959 variously estimated at \$10 billion to \$12 billion, or even more. Ironically, the upturn had apparently already commenced a month or more before fiscal year 1959 began. Only when that year ends can we measure how much true recovery we made, and at what a price in the reduced purchasing power of the dollar. We probably will have to wait much longer than that before we can return to a balanced budget again and measure the full sweep of the new inflationary spiral. If the next economic cycle is like the last two, we can expect the next recession in about 4 years, and unless we take more heroic efforts to dampen the inflation between now and then than we did in the recent boom, our problems will be greater, and our power to meet them may well be less.

Of course, in making this statement I realize that there was considerable testimony given to the committee to the effect that in times of recession, Government deficits are not inflationary, because they are merely an offset to weak consumer demand. In the present recession I find two weaknesses in this reasoning.

First. Consumer demand, as a whole, has held up very well through the current recession. I refer to the figures in the table at the beginning of this statement. There has only been a shift in demand from durables to soft goods and services. A Government deficit, of any size, is not going to strike at the basic problem here, a shift in consumer desires.

Second. Taking into account reduced tax revenues due to the recession, we already have legislated a deficit about twice as large as most of the committee witnesses suggested as necessary.

Then, too, I think there is danger in misinterpreting the responses to the committee's question No. 14, which asked:

How much of a factor in your opinion, has deficit spending by the Federal Government

since the end of World War II been in contributing to or producing inflation?

Most of the committee respondents recognized only a minor role from Government deficits since World War II. The following reply by F. W. Ecker, president of the Metropolitan Life Insurance Co., may be regarded as typical:

Directly, deficit spending by the Federal Government has not been a major factor among the forces contributing to monetary expansion during the period since World War II. For the most part, deficits were not financed by expansion of commercial or Federal Reserve bank credit. They were financed largely by nonfinancial corporations and individuals.

Monetary expansion within the period was very largely the result of borrowing by individuals and business. Indirectly, Government deficits did contribute to inflationary pressures. Financing of Government deficits by individuals and businesses absorbed funds which might otherwise have gone to finance a portion of the requirements of private enterprise which were financed by commercial banks.<sup>24</sup>

However, both the question and the replies need analysis. Note that the question asked for deficit spending since the end of World War II. At this point I should like to insert a table showing the year-to-year deficits from 1947 through 1958. Over the period the net total deficit is \$15.3 billion, or an average of approximately \$1¼ billion per year. Compared with the prospective deficit for fiscal 1959, the average annual deficit since World War II has been negligible. In fact, for the years 1958 and 1959 we face deficits of as large as those accumulated in all previous post-war years put together.

Mr. President, I ask unanimous consent that table V may be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE V.—Federal deficits 1947-58

[In millions of dollars]

Fiscal year	Budget receipts	Budget expenditures	Surplus (+) or deficit (-)
1947	39,786	39,032	+754
1948	41,488	33,069	+8,419
1949	37,696	39,807	-2,111
1950	36,495	39,617	-3,122
1951	47,548	44,058	+3,510
1952	61,391	65,408	-4,017
1953	64,825	74,274	-9,449
1954	64,655	67,772	-3,117
1955	60,390	64,570	-4,180
1956	68,165	66,540	+1,626
1957	71,029	69,433	+1,596
1958	60,083	71,897	-2,813

NOTE.—Total net deficit 1947-58, \$15,304 million. Average annual deficit over the period, \$1,275 million.

Source: Bureau of the Budget.

Mr. BENNETT. Mr. President, several witnesses, of whom Professor Haberler is typical, acknowledged that while deficits have not been large enough to be inflationary, large-scale Government spending itself, even with a relatively balanced budget, is inflationary. Likewise the ever-ready philosophy under the Unemployment Act of 1946 is a potent

<sup>20</sup> Committee compendium, p. 670.

<sup>21</sup> Committee hearings, p. 2062.

<sup>22</sup> Compendium, p. 182.

<sup>23</sup> Hearings, p. 1838.

<sup>24</sup> Ibid, p. 217.



psychological inflationary factor. I quote from the professor:

I do not think that deficit spending by the Federal Government since the end of the war has been an important inflationary factor. But it cannot be denied that the large size of the budget (even if balanced) and the fact that the Government is ready to incur a deficit in periods of depression so as to counteract the decline in output and employment is, at least from the long-run standpoint, a highly inflationary factor.<sup>25</sup>

Others acknowledged that the good record since the end of the war does not cancel the pent-up inflationary pressures of the war years themselves. I quote from H. B. Arthur and Porter M. Jarvis, of Swift & Co., who replied as follows:

Deficit spending has, of course, been a contributing factor. However, much of the deficit spending that has shown up in the past decade in the form of inflation was actually spent or "planted" during the war itself. In other words, there was a great deal of spending and many commitments that could have been mopped up or liquidated in the early postwar period when deferred individual and corporate spending were being expanded so rapidly.<sup>26</sup>

If Messrs. Jarvis and Arthur are right, and now 12 to 17 years later, we are still reaping the harvest of inflation planted during the war years, how long will the new crop flourish which we are planting in the rich soil of the known deficits for fiscal 1959, and the expected deficits in the years immediately following?

Because this will probably be the last statement in this series of personal reports, I have two tasks to perform before I close it:

First. I must summarize this fourth statement as a separate unit.

Second. And in final conclusion, I want to summarize the whole series, and express my personal ideas about the solution of our inflation problem.

To summarize this particular statement on the relationship between the present recession and the continuing inflation: After analyzing all the ideas suggested as being causes of the recession, I believe they all bear out the basic assumption that this has been a typical period of readjustment following an economic boom. Of course, it is different in detail from the other two post-war cycles of boom and recession. This one has been spotty, with respect to certain industries, and clearly reflects a change in the buying pattern of consumers. While the personal disposable income has dipped only very slightly, consumer use of it has so changed as to bring a serious drop in the volume of consumer durables. While this was going on, industry, after an investment boom, was reacting with a drop in expenditure for capital durables. From these, and other less important factors, consequent recession touched most of the economy.

In spite of this, and largely because we have had a continuing pattern of wage increases outstripping increases in productivity, inflation has persisted even in the face of the downturn, and though dormant since the upturn, has not permitted the downward price adjustments

which usually occur in times of lowered economic activity.

The presence of both these economic diseases at the same time has posed a serious problem for us, and apparently we have decided that the short-time, close-range recession was more serious than the inflation, because we have embarked on a vast new Federal spending program and created our greatest peacetime deficit, totalling more than \$12 billion, which will not be felt until after the economy has turned upward. Recent statistics from the National Bureau of Economic Research show that the "lead" indicators have been rising for 2 months now, yet the large Government deficit is still to come.

The time has come to fit this into the whole picture of this series. In the first statement, I identified inflation as the most serious problem revealed by the hearings, and their central theme. In the second, I discussed the monetary policies used to check the force of the inflation, and discussed the reasons they were not completely successful. In the third, I reported on the role of wage policies in producing the cost-push force in the inflationary spiral, and tried to focus attention on the central problem here—the fact that over the past dozen years, wages have risen faster than productivity. And in this fourth discussion, I pointed out how inflation helped create this recession, how it persists in spite of the economic downturn, how it is being started off again, under the guise of a cure for the recession. Through all this it must be obvious to those who read these statements that I believe inflation has been, and still is, our No. 1 economic problem, and that unless we face it and control it soon, it will do immeasurable damage to our economic future.

What can we do about it? Where shall we begin?

No one seriously concerned about the threat of present and continuing inflation to the economic solvency of the future could fail to get some ideas about the answer to these questions from the committee's record. For what they are worth, here are some of mine:

First. We cannot find our answer entirely in Government policies and programs. We cannot pass laws to cure inflation. Rather than curing it, increased Government interventions tends to sustain and intensify it. Certainly, that is the record of the last quarter century; and I believe that will be the result of many actions taken by this last session of the 85th Congress. When we try to give help without cost, greater spending without added taxes, special privileges for special groups, we are not creating something out of nothing. Rather, we are being political Robin Hoods in reverse, creating inflation which robs the poor for the purpose of rewarding political supporters. Inflation robs the past and future for the present. Once we intervene for one group, we are soon called upon to equalize this inequity by another intervention. Thus, we are always giving, but seldom counting the cost. The elected representative who tries to stem this tide risks being swept out of office by it. And the man who has

courage to stand up to it is scorned and castigated.

Second. The fires of inflation can only be brought under control by the people themselves, beginning in the management of their own lives and money. The problem is essentially a moral and spiritual one. We Americans have a lot of illusions to sweep away before we can see our economic future clearly.

Included among these illusions are these:

(a) That money is wealth, rather than a measure of wealth. True wealth is the result of work and thrift.

(b) That inflation creates wealth.

(c) That inflation creates and nurtures progress.

(d) That one individual can profit from inflation without harming another.

(e) That money can provide escape from personal responsibility.

(f) That debt creates wealth and raises living standards.

(g) That government can create wealth and values that people cannot create for themselves.

(h) That it is better to receive than to give.

(i) That life ever provides something for nothing.

Will the American people ever be able to throw off these illusions, and return to sound, realistic economic thinking? I have faith that they will. In fact, I believe they have already begun to do so. While some Members of Congress have been trying to whip this current mild recession into an excuse for a whirlwind of frantic Government economic action, there has been no great supporting public outcry. Of course, there have been some special-interest groups who have tried to take advantage of the apparent mood of Congress to push their particular programs, either tax cuts or spending programs beneficial to them. But while this has been going on, the ordinary people have been quietly going about their individual and personal programs, putting their own economic houses in order. These people have been stepping up the payments on their debts, saving more, and stretching out the life of their cars and other durables. By these policies and by exercising caution, prudence, and self-reliance in their buying of consumer goods, they are using the safest and most powerful kind of inflation control in the world. Perhaps we might call their actions the only true and effective method. At least we can be sure that unless backed up by such personal programs, no Federal programs will ever work successfully.

Since June 18, 1957, when the Finance Committee started on its hearings on the financial condition of the United States, we have seen both phases of the third postwar business cycle. We saw it rise to its peak in the third quarter of 1957. From then until April of this year, we lived through the natural adjustment which followed, which we call a recession. Now it looks as though we have begun the longer and slower climb to another summit—either in steady, sustainable growth or in a headlong rush to another boom and bust. What lies ahead we cannot tell. But so far as the cycle of 1954-58 is concerned, we

<sup>25</sup> Compendium, p. 626.

<sup>26</sup> Ibid, p. 240.

can now feel that the worst is over. But while we may be on our way out of the woods on the current recession, the greater of our twin problems is still with us. The inflation born in World War II has persisted through three such cycles of both boom and recession—and while its fires seem dormant now, the deficits created by this very Congress may well be storing up the fuel which will cause them to flare up again soon in a wilder and more consuming flame.

As the hearings developed, the risks and problems of inflation became their central theme. Now as they close, it remains our dominant economic threat. If our country is to continue to grow in sound prosperity, control of inflation must be our chief economic goal. To me, this is the ultimate meaning and lesson of the Finance Committee hearings of 1957-58.

This concludes my formal statement.

Mr. President, I ask unanimous consent that there be printed in the *RECORD*, in connection with the statement, certain footnotes which identify quotations used in my speech.

The PRESIDING OFFICER (Mr. MORRISON in the chair). Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. I am happy to yield.

Mr. LAUSCHE. I wish to express to the Senator from Utah my commendation for his very masterly and sobering presentation of the problems which today confront the people of the United States. It would have been well if the Nation as a whole could have heard the analysis made by the Senator from Utah of the two vital problems of the recession and inflation. I am of the belief that if the people of the country had heard his speech, the approach to our problems would be far more encouraging than what is occurring today.

On yesterday, in the course of a radio program, I was asked what would be the issue in the 1958 campaign. It was suggested that the issue would be unemployment and recession. I would look with fear upon such a psychological approach by the people of the Nation to the problems confronting them today. The problem of inflation is no less important for consideration as an issue by the voters when they go to the polls.

I wish to subscribe to the statement of the Senator from Utah that actions taken by this Congress, contemplating a leveling of conditions and a stopping of the recession, have gone so far that the eventual sufferings of the public will be far greater than the good the Congress will have done by means of those actions. Congress pretended to provide a tonic, but the fact is that Congress built up a \$12 billion deficit which will reflect itself in increased inflation. The stock market has gone utterly wild. It has been generally understood that those who are dealing in the stock market are anticipating a runaway inflation. When that happens, God pity the poor families. The present situation is Robin Hood in reverse, as has clearly been stated by the Senator from Utah—namely, robbing the poor to help the rich.

So, I wish to commend the distinguished Senator from Utah for his address. I am glad that, by chance, I happened to come to the Senate floor while he was speaking.

While I ask the people of the Nation to learn of what the Senator from Utah has stated—and, in that connection, I may suggest to the press that they could render no better service than to acquaint the public with the highlights of the address which has been delivered today by the Senator from Utah—I suggest that we, who are the Members of the United States Congress, study the address which the distinguished Senator from Utah has delivered.

Mr. BENNETT. Mr. President, I am deeply grateful for the comments made by my colleague, the Senator from Ohio [Mr. LAUSCHE].

In our work together in the Senate, I have already come to realize that the basic philosophy of my friend, the Senator from Ohio, is very much in tune with that which I have tried to express in the course of these remarks, and which I think represents the heart of the material which has been received during our hearings in the Finance Committee.

I was interested in the comment of the Senator from Ohio about the possibility that the recession may be an issue in the forthcoming campaign. I believe that may well be true; but it is my impression that the people are interested as much in the direction in which we are going. If the upturn actually has come, as the indicators would have us believe, then, by the time the election comes along, the improvement shown by the economic indicators will turn people's eyes forward to a more active economy, rather than back to the figures for the condition which existed in the early part of this year. People have very short memories.

Personally, I do not believe that the recession will be an adequate political issue for either party in the forthcoming campaign.

Mr. LAUSCHE. Mr. President, let me ask the Senator from Utah whether the experts on economics who testified at the hearings were asked—and if so, what their answers were—concerning the contributions to inflation made, first, by labor leaders who demanded increased wages during the recession and, second, by industry which demanded increased prices. Upon whom do the economic experts place the primary blame; and if no primary blame is placed; upon whom do they allocate the blame?

Mr. BENNETT. About 10 days ago I made an equally long speech on that very subject, and I shall be very happy to provide my friend, the Senator from Ohio, with a copy of it.

In giving a short answer to his question, I would say that, generally, the experts assume that when the wage increases were greater than the increases in productivity, the wage increases generated price increases; and although industry and labor must share equal responsibility for adding to the upward spiral, the first push to the spiral came from the wage increases. Price increases followed.

Mr. LAUSCHE. Were the figures relating to the increases in productivity, as presented by the Senator from Utah, compared to the consequent increases in cost? Or was such a calculation submitted in the course of the hearing?

Mr. BENNETT. In my statement, I included a table which covers that point, I believe.

Mr. LAUSCHE. My recollection—although I may be in error—is that while wage increases have risen 14 percent, productivity has increased approximately 3 or 4 percent.

Mr. BENNETT. Those are the figures for the period 1955-57. And, in addition, when we consider the situation all the way back to the end of the war, we find that the wage increases in almost every year exceeded the increases in productivity, for the economy as a whole. I believe this is one of the chief engines of inflation.

Mr. LAUSCHE. Personally, I am inclined to place the blame on both.

Mr. BENNETT. I do, too.

Mr. LAUSCHE. It was rather frightening to observe that while the Congress was passing out more money, for the construction of highways, houses, and public works, in order to provide employment, each day, according to the newspapers, labor leaders were requesting wage increases. They begged the Congress to spend money; they made that request on the ground that the members of their unions were out of work. But back home, the men were saying, "We will not go to work unless you give us increased wages."

Within the last week the price of steel has gone up. I have a letter in my hand concerning conditions in Cleveland, where the gasoline price has gone up a penny a gallon. That is the kind of thing we can expect.

Did I correctly understand the Senator from Utah to say the figures show that for the years 1958 and 1959 the aggregate deficit of the Federal Government will be equal to the aggregate deficit for the period beginning with the end of the war and extending to 1957?

Mr. BENNETT. My memory of the figures is that for the years between the end of the war and 1957 the aggregate deficit was \$15.3 billion. The aggregate for 1959 is only an estimate, but if we take the estimate furnished, namely, \$12 billion, and add it to the known deficit for 1958, which was \$2.8 billion, we have a figure of \$14.8 billion, which is approximately the same as the \$15.3 billion figure.

Mr. LAUSCHE. Did any of the economic experts testify after it was ascertained that the deficit for 1959 would be about \$12 billion?

Mr. BENNETT. No. We closed our hearings in April.

Mr. LAUSCHE. So at that time there was no anticipation of a \$12 billion deficit. My recollection is there was talk about a \$6 billion deficit.

Mr. BENNETT. I quoted from two authorities, both of whom stated that if there were a deficit of \$5 billion or \$6 billion it would be perfectly adequate to serve whatever purpose a deficit can serve in starting the economy upward.



again. Actually, the deficit will be double that estimate.

Mr. LAUSCHE. I thank the Senator. Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. CAPEHART. Did the Senator, in presenting his figures, bring out the fact that at the end of World War II the national debt was approximately \$275 billion, and that the national income was less than the national debt; but that today, while the national debt is approximately \$275 billion, the national income of the American people is in excess of \$400 billion?

Mr. BENNETT. I did not discuss the relationship of national debt to national income, nor did I discuss changes in the debt between the end of World War II and later periods. I covered a lot of ground, but I did not cover that.

Mr. CAPEHART. My question was whether the national debt today is not about the same as it was at the end of World War II.

Mr. BENNETT. It is somewhat higher.

Mr. CAPEHART. It is about \$2 billion higher; but the national income at the end of World War II was about \$210 billion, or \$220 billion, whereas today the national income is over \$400 billion.

Mr. BENNETT. Yes, but those figures include dollars which do not have as much value as they did at the end of World War II.

Mr. CAPEHART. President Eisenhower is now entering the sixth year of his administration. The national income has averaged about \$400 billion a year for 6 years, or a total of \$2½ trillion—

Mr. BENNETT. I think that figure is a little high.

Mr. CAPEHART. The national income in those 6 years has been greater than was the total income of the American people from the year 1900 through 1936.

Mr. BENNETT. That is an interesting figure, but I have never calculated it.

Mr. CAPEHART. During the same period Federal taxes have averaged a little less than \$70 billion a year. For 6 years, that would be \$420 billion, against a \$2½ trillion national income.

Mr. BENNETT. That relationship was outside the scope of the particular hearings to which I referred.

Mr. CAPEHART. That high income is no excuse for wasting money, no excuse for having a big national debt, and no excuse for an unbalanced budget. Nevertheless, those figures are actual and factual. They must be true, because the American people have a great deal of money today. Generally speaking, banks have large amounts of deposits. The people have large savings and life insurance policies, and are purchasing many new homes.

Mr. BENNETT. The tragedy of the situation is that even when our national income has been so high, we have chosen to spend it and inflate our economy further, and not reduce our debt.

Mr. CAPEHART. In other words, we have found an excuse not to do anything about our debt. Now that we

find ourselves in a recession, we have an excuse not to do anything about balancing the budget.

Mr. BENNETT. It is like the man whose house has a leaky roof. When it rains he cannot fix it; when the sun is shining, he does not want to.

Mr. CAPEHART. I do not know whether the Senator from Utah will agree with me, but I feel Congress will have to do something about the constant threat of inflation and the constant increase in wages and prices. If not, our economy will be wrecked. I hate to think that someday we shall have to have price and wage controls. However, as one Senator, I do not want to see our economy wrecked, and our country experience the kind of inflation which in the past took place in other countries, without our taking steps to prevent it. I think we ought to warn American businessmen and labor organizations that someday Congress will have to take action.

Mr. BENNETT. The Senator from Utah does not want his statement today to end—with all due respect to the Senator from Indiana—on the idea of price, wage, and rent controls. The Senator from Utah does not think such controls will work. He opposed them when they were put into effect, and will continue to oppose them.

Mr. CAPEHART. Would the Senator prefer to have 100 percent runaway inflation, such as took place in Germany and Brazil?

Mr. BENNETT. The Senator from Utah does not want to become involved in a prolonged discussion of that subject. I return to my previous statement. I do not think such controls will work. I should like to yield the floor so the business of the Senate can proceed.

#### AMENDMENT OF DEFENSE PRODUCTION ACT OF 1950

The PRESIDING OFFICER (Mr. MORTON in the chair). The hour of 2 o'clock has arrived; and the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. Calendar No. 2139, Senate bill 4162, to further amend the Defense Production Act of 1950, as amended.

#### DISTRICT OF COLUMBIA CHARTER ACT

Mr. BIBLE. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and the Senate resume the consideration of the pending business, Calendar No. 1749, Senate bill 1846.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (S. 1846) to provide for the District of Columbia an appointed Governor and Lieutenant Governor, and an elected Legislative Assembly and nonvoting delegate to the House of Representatives, which had been reported from the Committee on the District of Columbia with an amendment.

#### DESERT LAND ENTRIES ON DISCONNECTED TRACTS OF LANDS

Mr. O'MAHONEY. Mr. President, I desire to ask the Chair to lay before the Senate two bills previously passed by the Senate, which have been acted upon by the House and returned to the Senate with slight amendments. I refer to Senate bills 359 and 4002.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 359) to permit desert land entries on disconnected tracts of lands which, in the case of any one entryman, form a compact unit and do not exceed in the aggregate 320 acres, which were, on page 2, line 9, strike out all after "person" down through and including "Interior." in line 11, and insert "shall be sufficiently close to each other to be managed satisfactorily as an economic unit, as determined under rules and regulations issued by the Secretary of the Interior.", and on page 3, line 5, strike out all after "section" down through and including "Interior." in line 7, and insert "shall be sufficiently close to each other to be managed satisfactorily as an economic unit, as determined under rules and regulations issued by the Secretary of the Interior."

Mr. O'MAHONEY. Mr. President, S. 359 was unanimously reported by the Senate Committee on Interior and Insular Affairs. The amendments adopted by the House are minor ones. They are perfectly acceptable to the Senate sponsors of the bill. I was authorized by the Committee on Interior and Insular Affairs, in its meeting this morning, to move that the House amendments be accepted.

Therefore, I now move that the Senate concur in the House amendments to S. 359.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BARRETT. Mr. President, I discussed this matter with the minority leader. There is no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

#### GREY REEF DAM AND RESERVOIR

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 4002) to authorize the Grey Reef Dam and Reservoir as a part of the Glendo unit of the Missouri River Basin project, which was, in lines 12 and 13, strike out "submitted and approved by the Secretary of the Interior" and insert "approved by the Secretary of the Interior and submitted to the President and the Congress".

Mr. O'MAHONEY. Mr. President, exactly the same situation exists with respect to this bill as existed with respect to S. 359. By the authority of the Committee on Interior and Insular Affairs, I move that the Senate concur in the amendment of the House.

Mr. BARRETT. Mr. President, I have taken this matter up with the minority leader, and there is no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

#### THE NATIONAL DEBT

Mr. O'MAHONEY. Mr. President, I came to the floor from a conference with the Department of Defense as the Senator from Utah [Mr. BENNETT] was finishing his address on inflation. I heard the questions which were addressed to the Senator by the Senator from Indiana [Mr. CAPEHART]. The Senator from Indiana is the ranking minority member of the Committee on Banking and Currency. As I remember, when the Senator from Indiana was chairman of that committee he introduced a bill to provide authority for standby controls.

I think the discussion today, or at least the colloquy, would be incomplete unless the statement were made that in addition to rising prices and a rising cost of living the number of bankruptcies is steadily increasing.

This morning the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary heard the testimony of Judge Victor Hansen, the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice, who was called to testify in connection with the study the committee is making of the recent price increase on steel. It was pointed out during the hearing that not only is the national debt increasing and not only has the President of the United States requested the Congress to raise the debt ceiling to \$288 billion, but in addition the annual interest upon the national debt, which in fiscal year 1958 amounted to \$7.6 billion, is greater than any other single expenditure of the Government except the expenditure for national defense.

It costs the people of the United States more to pay the interest upon the national debt than it costs them to finance the Department of Agriculture, the expenditures of which during fiscal year 1958 amounted to \$4.8 billion plus.

It costs the people of the United States more to pay the interest upon the national debt than it costs them to provide for veterans' benefits and pensions under the Veterans' Administration. The Veterans' Administration in fiscal year 1958 expended in excess of \$5 billion, yet the interest upon the national debt in the same fiscal year was greater by \$2.6 billion than the entire expenditure of the Veterans' Administration.

This certainly is a warning sign to all of us who believe in free government and the maintenance of the free enterprise system under competitive conditions. It is a warning that we are in the very gravest peril. Too many people in the United States, too many Members of the Congress, and too many of those in the administration itself, the executive branch, are unmindful of the fact that Soviet Russia is waging an economic cold war against us.

Prices are increased by great industries such as the steel industry. Prices are increased by the aluminum industry. Prices are increased by almost every other industry.

The great corporations which handle our interstate and foreign commerce, according to their own reports, are making profits. Perhaps the profits are not so large since the recession started as they were before, but, generally, corporations are operating profitably. Failures are taking place in small businesses. The result is that Soviet Russia is making gains in the economic field.

During the course of the hearings of the Subcommittee on Antitrust and Monopoly today it was pointed out that while the industries which are raising prices are reaping profits and operating in the black, the great Government of the United States, which is forced by necessity to finance national defense and carry on all the other activities of Government, is operating in the red. During the next 12 months the Secretary of the Treasury will be under the necessity of refinancing outstanding obligations of the Government—I. O. U.'s, to use the phrase of Main Street—in excess of \$74 billion. And before the first of January 1959 it will be necessary for the Secretary of the Treasury to find refinancing for an additional \$37 billion. This will mean an increase in the national debt. Certainly if \$10 billion is added to our national debt it cannot be financed for less than 2½ percent per annum. That will mean an addition of \$250 million to the \$7.6 billion which the country had to pay as interest on the national debt during fiscal year 1958.

The greatest danger which confronts the Nation is not any military attack by Soviet Russia; the greatest danger which confronts it is the danger resulting from our failure to realize the gravity of the economic cold war and the enormous debt people are carrying. When private corporations fail and go into bankruptcy, receivers are appointed and the creditors have an opportunity through legal procedure to divide the assets of the corporations.

On the other hand, when a government goes into bankruptcy, when a government is unable to pay its debts and meet its obligations, there is no such thing as receivership. The only thing that happens then is the advent of the "man on horseback." This morning, at the hearing before the Antitrust and Monopoly Subcommittee, confronted, as I was, by these basic economic facts, I expressed the belief that the time had come for the leaders of American industry to come before the subcommittee and express to Congress whatever suggestions they may have in mind to meet the great crisis of continuous inflation.

Mr. President—

The PRESIDING OFFICER. The Senator from Wyoming.

#### ADDITION OF CERTAIN LANDS TO CARIBOU AND TARGHEE NATIONAL FORESTS

Mr. O'MAHONEY. Mr. President I understand that the House has passed Senate bill 1748, a bill dealing with the Caribou and Targhee National Forests, with an amendment. I ask that the Chair lay before the Senate the amendment of the House.

The PRESIDING OFFICER (Mr. MORTON in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1748), to add certain lands located in Idaho and Wyoming to the Caribou and Targhee National Forests, which was, on page 5, line 12, strike out all after "Act" down through and including "authority" in line 15.

Mr. O'MAHONEY. Mr. President, I have a message from the Senate Committee on Interior and Insular Affairs to the effect that the committee is willing to accept the amendment of the House striking out certain language allowing the Secretary of the Interior to process pending applications in the small tract. There is no objection on this side to the House amendment, and I move that the Senate concur in the amendment of the House.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. JAVITS. Has the Senator cleared this matter with the minority side?

Mr. O'MAHONEY. I have not.

Mr. JAVITS. As acting minority leader, I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

#### REVISION OF TITLE 23, UNITED STATES CODE, ENTITLED "HIGHWAYS"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1971, Senate bill 3953.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3953) to revise, codify, and enact into law, title 23 of the United States Code, entitled "Highways."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments, on page 2, after "(a)", to strike out "Definitions.—"; on page 4, after "(b)", to strike out "Declarations of Policy.—"; on page 6, in the last line, after the word "this", to strike out "title" and insert "chapter"; on page 12, after "(a)", to strike out "Federal acquisition for States.—"; after "(b)", to strike out "Costs of acquisition.—"; on page 13, after "(c)", to strike out "Conveyance of acquired lands to the States.—"; after "(d)", to strike out "Rights-of-way over public lands.—"; on page 16, in section 113, after "(a)", to strike out "Application of Davis-Bacon Act.—"; in the same section, on page 17, after "(b)", to strike out "Consultation with State highway departments; predetermination of rates.—"; on page 21, in the eighth line of subparagraph "(d)", after the word "this", to strike out "title. Not" and insert "title: *Provided, That*



not", in the same subparagraph, in line 11, after the word "subsection", to strike out "or under section 130 of this title"; on page 22, in the last line, after the word "the", to strike out "Federal share of 10 per centum" and insert "10 per centum of the Federal share"; on page 25, in the heading starting with "Sec. 127", after the word "width", to strike out "limitation" and insert "limitations"; on page 26, in section 129, after "(a)", to strike out "Federal aid.—"; on page 27, after "(b)", to strike out "Approval as part of Interstate System.—"; in the eleventh line under the same subparagraph, after the date "June 29, 1956", to strike out "Nor" and insert "No"; after "(c)", to strike out "Approaches having other use.—"; after "(d)", to strike out "Approaches having no other use.—"; on page 28, in line 9 of paragraph "(a)", after the word "be", to strike out "affected" and insert "effected"; in line 5 of paragraph "(b)", after the word "railroad", to insert "or railroads"; on page 29, after "(a)", to strike out "National policy.—"; on page 30, after "(b)", to strike out "Agreements.—"; in the same paragraph, line 22, after the word "commercial", to strike out the colon and "Provided, however, That" and insert "and"; after "(c)", to strike out "Federal share.—"; in the same paragraph, line 10, after the word "the", where it appears the second time, to strike out "agreement: Provided, That the" and insert "agreement"; on page 31, after "(d)", to strike out "Cooperation with other agencies.—"; after "(e)", to strike out "Cost of acquisition of right to advertise or regulate advertising.—"; in the same paragraph, line 8, to strike out "cost: Provided, That reimbursement" and insert "cost. Reimbursement"; on page 32, paragraph "(c)", line 2, after the word "having", to strike out "more than 5 per centum of their area in"; on page 39, subparagraph "(5)", line 2, after the word "the", to strike out "needs" and insert "needs"; on page 41, in the last line of paragraph "(c)", to strike out "\$100 diem" and insert "\$100 per diem"; at the top of page 45, to strike out:

§ 315. Detail of employees as students

During any fiscal year the Secretary is authorized in his discretion to detail not to exceed ten of the regularly employed personnel of the Bureau of Public Roads as students for limited periods at such technical institutions as will enable such personnel to acquire special knowledge which will better fit them for the lines of work to which they are assigned. No expense other than the salaries of such personnel and the cost of tuition and other regular fees required at such institutions shall be incurred by the Secretary under this section.

To change the section number from "316" to "315"; to change the section number from "317" to "316"; to change the section number from "318" to "317", under the same section, in the line beginning with "(a)", after the word "Secretary", to strike out "determines" and insert "determines"; on page 46, to change the section number from "319" to "318"; to change the section number from "320" to "319"; and, on page 47, to change the section number from "321" to "320"; so as to make the bill read:

Be it enacted, etc., That the laws relating to highways are revised, codified, and re-

enacted as title 23, United States Code, "Highways" and may be cited as "title 23, United States Code, §—", as follows:

TITLE 23—HIGHWAYS

Chapter	Sec.
1. Federal aid highways.....	101
2. Other highways.....	201
3. General provisions.....	301

Chapter 1—Federal-aid highways

Sec.
101. Definitions and declaration of policy.
102. Authorizations.
103. Federal-aid systems.
104. Apportionment.
105. Programs.
106. Plans, specifications, and estimates.
107. Acquisition of rights-of-way—Interstate System.
108. Advance acquisition of rights-of-way.
109. Standards.
110. Project agreements.
111. Use of and access to rights-of-way—Interstate System.
112. Letting of contracts.
113. Prevailing rate of wage—Interstate System.
114. Construction.
115. Construction by States in advance of apportionment—Interstate System.
116. Maintenance.
117. Secondary road responsibility.
118. Availability of sums apportioned.
119. Administration of Federal-aid for highways in Alaska.
120. Federal share payable.
121. Payment to States for construction.
122. Payment to States for bond retirement.
123. Relocation of utility facilities.
124. Advances to States.
125. Emergency relief.
126. Diversion.
127. Vehicle weight and width limitations—Interstate System.
128. Public hearings.
129. Toll roads, bridges, and tunnels.
130. Railway-highway crossing.
131. Areas adjacent to the Interstate System.

§ 101. Definitions and declaration of policy  
(a) As used in this title, unless the context requires otherwise—

The term "apportionment" in accordance with section 104 of this title includes unexpended apportionments made under prior acts.

The term "construction" means the supervising, inspecting, actual building, and all expenses incidental to the construction or reconstruction of a highway, including locating, surveying, and mapping (including the establishment of temporary and permanent geodetic markers in accordance with specifications of the Coast and Geodetic Survey in the Department of Commerce), costs of rights-of-way, and elimination of hazards of railway-grade crossings.

The term "county" includes corresponding units of Government under any other name in States which do not have county organizations, and likewise in those States in which the county government does not have jurisdiction over highways it may be construed to mean any local government unit vested with jurisdiction over local highways.

The term "forest road or trail" means a road or trail wholly or partly within, or adjacent to, and serving the national forests.

The term "forest development roads and trails" means those forest roads or trails of primary importance for the protection, administration, and utilization of the national forests, or where necessary, for the use and development of the resources upon which communities within or adjacent to the national forests are dependent.

The term "forest highway" means a forest road which is of primary importance to the States, counties, or communities within, adjoining, or adjacent to the national forests.

The term "highway" includes roads, streets, and parkways, and also includes rights-of-way, bridges, railroad-highway crossings, tunnels, drainage structures, signs, guardrails, and protective structures, in connection with highways. It further includes that portion of any interstate or international bridge or tunnel and the approaches thereto, the cost of which is assumed by a State highway department including such facilities as may be required by the United States Customs and Immigration Services in connection with the operation of an international bridge or tunnel.

The term "Federal-aid highways" means highways located on one of the Federal-aid systems described in section 103 of this title.

The term "Indian reservation roads and bridges" means roads and bridges that are located within an Indian reservation or that provide access to an Indian reservation or Indian land, and that are jointly designated by the Secretary of the Interior and the Secretary as a part of the Indian Bureau road system.

The term "maintenance" means the preservation of the entire highway, including surface, shoulders, roadsides, structures, and such traffic-control devices as are necessary for its safe and efficient utilization.

The term "park roads and trails" means those roads or trails, including the necessary bridges, located in national parks or monuments, now or hereafter established, or in other areas administered by the National Park Service of the Department of the Interior (excluding parkways authorized by acts of Congress) and also including approach roads to national parks or monuments authorized by the act of January 31, 1931 (46 Stat. 1053), as amended.

The term "parkway" as used in chapter 2 of this title, means a parkway authorized by an act of Congress on lands to which title is vested in the United States.

The term "project" means an undertaking to construct a particular portion of a highway, or if the context so implies, the particular portion of a highway so constructed.

The term "project agreement" means the formal instrument to be executed by the State highway department and the Secretary as required by the provisions of subsection (a) of section 110 of this title.

The term "public lands highways" means main highways through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations.

The term "rural areas" means all areas of a State not included in urban areas.

The term "Secretary" means Secretary of Commerce.

The term "State" means any one of the forty-eight States, the District of Columbia, Hawaii, Alaska, or Puerto Rico.

The term "State funds" includes funds raised under the authority of the State or any political or other subdivision thereof, and made available for expenditure under the direct control of the State highway department.

The term "State highway department" means that department, commission, board, or official of any State charged by its laws with the responsibility for highway construction.

The term "Federal-aid system" means any one of the Federal-aid highway systems described in section 103 of this title.

The term "Federal-aid primary system" means the Federal-aid highway system described in subsection (b) of section 103 of this title.

The term "Federal-aid secondary system" means the Federal-aid highway system described in subsection (c) of section 103 of this title.

The term "Interstate System" means the National System of Interstate and Defense Highways described in subsection (d) of section 103 of this title.

The term "urban area" means an area including and adjacent to a municipality or other urban place having a population of five thousand or more, as determined by the latest available Federal census, within boundaries to be fixed by a State highway department subject to the approval of the Secretary.

(b) It is hereby declared to be in the national interest to accelerate the construction of the Federal-aid highway systems, including the National System of Interstate and Defense Highways, since many of such highways, or portions thereof, are in fact inadequate to meet the needs of local and interstate commerce, the national and civil defense.

It is hereby declared that the prompt and early completion of the National System of Interstate and Defense Highways, so named because of its primary importance to the national defense and hereafter referred to as the "Interstate System", is essential to the national interest and is one of the most important objectives of this act. It is the intent of Congress that the Interstate System be completed as nearly as practicable over the period of availability of the thirteen years' appropriations authorized for the purpose of expediting its construction, reconstruction, or improvement, inclusive of necessary tunnels and bridges, through the fiscal year ending June 30, 1969, under section 108 (b) of the Federal-Aid Highway Act of 1956 (70 Stat. 374), and that the entire System in all States be brought to simultaneous completion. Insofar as possible in consonance with this objective, existing highways located on an interstate route shall be used to the extent that such use is practicable, suitable, and feasible, it being the intent that local needs, to the extent practicable, suitable, and feasible, shall be given equal consideration with the needs of interstate commerce.

#### § 102. Authorizations

The provisions of this title apply to all unappropriated authorizations contained in prior acts, and also to all unexpended appropriations heretofore made, providing for the expenditure of Federal funds upon the Federal-aid systems. All such authorizations and appropriations shall continue in full force and effect, but hereafter obligations entered into and expenditures made pursuant thereto shall be subject to the provisions of this title.

#### § 103. Federal-aid systems

(a) For the purposes of this title, the three Federal-aid systems, the primary and secondary systems, and the Interstate System, are continued pursuant to the provisions of this section.

(b) The Federal-aid primary system shall consist of an adequate system of connected main highways, selected or designated by each State through its State highway department, subject to the approval of the Secretary as provided by subsection (e) of this section. This system shall not exceed 7 percent of the total highway mileage of such State, exclusive of mileage within national forests, Indian, or other Federal reservations and within urban areas, as shown by the records of the State highway department on November 9, 1921. Whenever provision has been made by any State for the completion and maintenance of 90 percent of its Federal-aid primary system, as originally designated, said State through its State highway department by and with the approval of the Secretary is authorized to increase the mileage of its Federal-aid primary system by additional mileage equal to not more than 1 percent of the total mileage of said State as shown by the records on November 9, 1921. Thereafter, it may make like 1 percent increases in the mileage of its Federal-aid primary system whenever provision has been made for the completion and

maintenance of 90 percent of the entire system, including the additional mileage previously authorized. This system may be located both in rural and urban areas. The mileage limitations in this paragraph shall not apply to the District of Columbia, Hawaii, Alaska, or Puerto Rico.

(c) The Federal-aid secondary system shall be selected by the State highway departments and the appropriate local road officials in cooperation with each other, subject to approval by the Secretary as provided in subsection (e) of this section. In making such selections, farm-to-market roads, rural mail routes, public school bus routes, local rural roads, county roads, township roads, and roads of the county road class may be included, so long as they are not on the Federal-aid primary system or the Interstate System. This system shall be confined to rural areas, except (1) that in any State having a population density of more than 200 per square mile as shown by the latest available Federal census, the system may include mileage in urban areas as well as rural, and (2) that the system may be extended into urban areas subject to the conditions that any such extension passes through the urban area or connects with another Federal-aid system within the urban area, and that Federal participation in projects on such extensions is limited to urban funds.

(d) The Interstate System shall be designated within the continental United States and it shall not exceed 41,000 miles in total extent. It shall be so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense, and to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico. The routes of this system shall be selected by joint action of the State highway departments of each State and the adjoining States, subject to approval by the Secretary as provided in subsection (e) of this section. All highways or routes included in the Interstate System as finally approved, if not already coincident with the primary system, shall be added to said system without regard to the mileage limitation set forth in subsection (b) of this section. This system may be located both in rural and urban areas.

(e) The Secretary shall have authority to approve in whole or in part the Federal-aid primary system, the Federal-aid secondary system, and the Interstate System, as and when such systems or portions thereof are designated, or to require modifications or revisions thereof. No Federal-aid system or portion thereof shall be eligible for projects in which Federal funds participate until approved by the Secretary.

(f) The system or systems of roads in the Territory of Alaska on which Federal-aid funds may be expended under this chapter shall be determined and agreed upon by the Governor of Alaska, the Alaska Highway and Public Works Board, and the Secretary.

(g) The system of highways on which funds apportioned to the Territory of Hawaii under this chapter shall be expended may be determined and agreed upon by the Governor of said Territory and the Secretary.

#### § 104. Apportionment

(a) Whenever an apportionment is made of the sums authorized to be appropriated for expenditure upon the Federal-aid systems, the Secretary shall deduct a sum, in such amount not to exceed 3 1/4 percent of all sums so authorized, as the Secretary may deem necessary for administering the provisions of law to be financed from appropriations for the Federal-aid systems and for carrying on the research authorized by subsections (a) and (b) of section 307 of this title. In making such determination, the Secretary shall take into account the

unexpended balance of any sums deducted for such purposes in prior years. The sum so deducted shall be available for expenditure from the unexpended balance of any appropriation made at any time for expenditure upon the Federal-aid systems, until such sum has been expended.

(b) On or before January 1 next preceding the commencement of each fiscal year, except as provided in paragraphs (4) and (5) of this subsection, the Secretary, after making the deduction authorized by subsection (a) of this section, shall apportion the remainder of the sums authorized to be appropriated for expenditure upon the Federal-aid systems for that fiscal year, among the several States in the following manner:

(1) For the Federal-aid primary system: One-third in the ratio which the area of each State bears to the total area of all the States, except that only one-third of the area of Alaska shall be included; one-third in the ratio which the population of each State bears to the total population of all the States as shown by the latest available Federal census; one-third in the ratio which the mileage of rural delivery routes and star routes in each State bears to the total mileage of rural delivery and star routes in all the States at the close of the next preceding fiscal year, as shown by a certificate of the Postmaster General, which he is directed to make and furnish annually to the Secretary. No State shall receive less than one-half of 1 percent of each year's apportionment.

(2) For the Federal-aid secondary system: One-third in the ratio which the area of each State bears to the total area of all the States, except that only one-third of the area of Alaska shall be included; one-third in the ratio which the rural population of each State bears to the total rural population of all the States as shown by the latest available Federal census; and one-third in the ratio which the mileage of rural delivery and star routes, certified as above provided, in each State bears to the total mileage of rural delivery and star routes in all the States. No State shall receive less than one-half of 1 percent of each year's apportionment.

(3) For extension of the Federal-aid primary and Federal-aid secondary systems within urban areas:

In the ratio which the population in municipalities and other urban places, of five thousand or more, in each State bears to the total population in municipalities and other urban places of five thousand or more in all the States, as shown by the latest available Federal census. For the purpose of this paragraph, Connecticut and Vermont towns shall be considered municipalities regardless of their incorporated status.

(4) For the Interstate System, for the fiscal years ending June 30, 1957, June 30, 1958, and June 30, 1959:

One-half in the ratio which the population of each State bears to the total population of all the States as shown by the latest available Federal census, except that no States shall receive less than three-fourths of 1 percent of the funds so appropriated; and one-half in the manner provided in paragraph (1) of this subsection. The sums authorized by section 108 (b) of the Federal-Aid Highway Act of 1956 for the fiscal years ending June 30, 1958, and June 30, 1959, shall be apportioned on a date not less than 6 months and not more than 12 months in advance of the beginning of the fiscal year for which authorized.

(5) For the Interstate System for the fiscal years 1960 through 1969:

In the ratio which the estimated cost of completing the Interstate System in each State, as determined and approved in the manner provided in this paragraph, bears to the sum of the estimated cost of completing the Interstate System in all of the States. Each apportionment herein authorized for the fiscal years 1960 through 1969, inclusive,



shall be made on a date as far in advance of the beginning of the fiscal year for which authorized as practicable but in no case more than 18 months prior to the beginning of the fiscal year for which authorized. As soon as the standards provided for in subsection (b) of section 109 of this title have been adopted, the Secretary, in cooperation with the State highway departments, shall make a detailed estimate of the cost of completing the Interstate System as then designated, after taking into account all previous apportionments made under this section, based upon such standards and in accordance with rules and regulations adopted by him and applied uniformly to all of the States. The Secretary shall transmit such estimates to the Senate and the House of Representatives within 10 days subsequent to January 2, 1958. Upon approval of such estimate by the Congress by concurrent resolution, the Secretary shall use such approved estimate in making apportionments for the fiscal years ending June 30, 1960, June 30, 1961, and June 30, 1962. The Secretary shall make a revised estimate of the cost of completing the then designated Interstate System, after taking into account all previous apportionments made under this section, in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within 10 days subsequent to January 2, 1962. Upon approval of such estimate by the Congress by concurrent resolution, the Secretary shall use such approved estimate in making apportionments for the fiscal years ending June 30, 1963, June 30, 1964, June 30, 1965, and June 30, 1966. The Secretary shall make a revised estimate of the cost of completing the then designated Interstate System, after taking into account all previous apportionments made under this section, in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within 10 days subsequent to January 2, 1966, and annually thereafter through and including January 2, 1968. Upon approval of any such estimate by the Congress by concurrent resolution, the Secretary shall use such approved estimate in making apportionments for the fiscal year which begins next following the fiscal year in which such report is transmitted to the Senate and the House of Representatives. Whenever the Secretary, pursuant to this subsection, requests and receives estimates of cost from the State highway departments, he shall furnish copies of such estimates at the same time to the Senate and the House of Representatives. In making the estimates of cost for completing the Interstate System as provided in this paragraph, the cost of completing any mileage designated from the 1,000 additional miles authorized by section 108 (1) of the Federal-Aid Highway Act of 1956 shall be excluded.

(c) Not more than 20 percent of the amount apportioned in any fiscal year, commencing with the apportionment of funds authorized to be appropriated under subsection (a) of section 102 of the Federal-Aid Highway Act of 1956 (70 Stat. 374), to each State in accordance with paragraphs (1), (2), or (3) of subsection (b) of this section may be transferred from the apportionment under one paragraph to the apportionment under any other of such paragraphs if such a transfer is requested by the State highway department and is approved by the governor of such State and the Secretary as being in the public interest. The total of such transfers shall not increase the original apportionment under any of such paragraphs by more than 20 percent. Nothing contained in this subsection shall alter or impair the authority contained in subsection (d) of this section.

(d) Any funds which are apportioned under paragraph (2) of subsection (b) of this section for the Federal-aid secondary system to a State in which all public roads and highways are under the control and supervision

of the State highway department may, if the State highway department and the Secretary jointly agree that such funds are not needed for the Federal-aid secondary system, be expended for projects on another Federal-aid system.

(e) On or before January 1 preceding the commencement of each fiscal year, the Secretary shall certify to each of the State highway departments the sums which he has apportioned hereunder to each State for such fiscal year, and also the sums which he has deducted for administration and research pursuant to subsection (a) of this section.

#### § 105. Programs

(a) As soon as practicable after the apportionments for the Federal-aid systems have been made for any fiscal year, the State highway department of any State desiring to avail itself of the benefits of this chapter shall submit to the Secretary for his approval a program or programs of proposed projects for the utilization of the funds apportioned. The Secretary shall act upon programs submitted to him as soon as practicable after the same have been submitted. The Secretary may approve a program in whole or in part, but he shall not approve any project in a proposed program which is not located upon an approved Federal-aid system.

(b) In approving programs for projects on the Federal-aid secondary system, the Secretary shall require, except in States where all public roads and highways are under the control and supervision of the State highway department, that such project be selected by the State highway department and the appropriate local officials in cooperation with each other.

(c) In approving programs for projects on the Federal-aid primary system, the Secretary shall give preference to such projects as will expedite the completion of an adequate and connected system of highways interstate in character.

(d) In approving programs for projects under this chapter, the Secretary may give priority of approval to, and expedite the construction of, projects that are recommended as important to the national defense by the Secretary of Defense, or other official authorized by the President to make such recommendation.

(e) In approving programs in Hawaii, the Secretary shall give preference to such projects as will expedite the completion of highways for the national defense or which will connect seaports with units of the national parks.

#### § 106. Plans, specifications, and estimates

(a) Except as provided in section 117 of this title, the State highway department shall submit to the Secretary for his approval, as soon as practicable after program approval, such surveys, plans, specifications, and estimates for each proposed project included in an approved program as the Secretary may require. The Secretary shall act upon such surveys, plans, specifications, and estimates as soon as practicable after the same have been submitted, and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto. In taking such action, the Secretary shall be guided by the provisions of section 109 of this title.

(b) In addition to the approval required under subsection (a) of this section, proposed specifications for projects for construction on the Federal-aid secondary system, except in States where all public roads and highways are under the control and supervision of the State highway department, shall be determined by the State highway department and the appropriate local officials in cooperation with each other.

(c) Items included in any such estimate for construction engineering shall not exceed 10 percent of the total estimated cost

of the project, after excluding from such total estimated cost, the estimated costs of rights-of-way, preliminary engineering, and construction engineering.

#### § 107. Acquisition of rights-of-way—Interstate System

(a) In any case in which the Secretary is requested by a State to acquire lands or interests in lands (including within the term "interests in lands", the control of access thereto from adjoining lands) required by such State for right-of-way or other purposes in connection with the prosecution of any project for the construction, reconstruction, or improvement of any section of the Interstate System, the Secretary is authorized, in the name of the United States and prior to the approval of title by the Attorney General, to acquire, enter upon, and take possession of such lands or interests in lands by purchase, donation, condemnation, or otherwise in accordance with the laws of the United States (including the act of February 26, 1931, 46 Stat. 1421), if—

(1) the Secretary has determined either that the State is unable to acquire necessary lands or interests in lands, or is unable to acquire such lands or interest in lands with sufficient promptness; and

(2) the State has agreed with the Secretary to pay, at such time as may be specified by the Secretary an amount equal to 10 percent of the costs incurred by the Secretary, in acquiring such lands or interests in lands, or such lesser percentage which represents the State's pro rata share of project costs as determined in accordance with subsection (c) of section 120 of this title.

The authority granted by this section shall also apply to lands and interests in lands received as grants of land from the United States and owned or held by railroads or other corporations.

(b) The costs incurred by the Secretary in acquiring any such lands or interests in lands may include the cost of examination and abstract of title, certificate of title, advertising, and any fees incidental to such acquisition. All costs incurred by the Secretary in connection with the acquisition of any such lands or interests in lands shall be paid from the funds for construction, reconstruction, or improvement of the Interstate System apportioned to the State upon the request of which such lands or interests in lands are acquired, and any sums paid to the Secretary by such State as its share of the costs of acquisition of such lands or interests in lands shall be deposited in the Treasury to the credit of the appropriation for Federal-aid highways and shall be credited to the amount apportioned to such State as its apportionment of funds for construction, reconstruction, or improvement of the Interstate System, or shall be deducted from other moneys due the State for reimbursement from funds authorized to be appropriated under section 108 (b) of the Federal-Aid Highway Act of 1956.

(c) The Secretary is further authorized and directed by proper deed, executed in the name of the United States, to convey any such lands or interests in lands acquired in any State under the provisions of this section, except the outside 5 feet of any such right-of-way in any State which does not provide control of access, to the State highway department of such State or such political subdivision thereof as its laws may provide, upon such terms and conditions as to such lands or interests in lands as may be agreed upon by the Secretary and the State highway department or political subdivisions to which the conveyance is to be made. Whenever the State makes provision for control of access satisfactory to the Secretary, the outside 5 feet then shall be conveyed to the State by the Secretary, as herein provided.

(d) Whenever rights-of-way, including control of access, on the Interstate System

are required over lands or interests in lands owned by the United States, the Secretary may make such arrangements with the agency having jurisdiction over such lands as may be necessary to give the State or other person constructing the projects on such lands adequate rights-of-way and control of access thereto from adjoining lands, and any such agency is directed to cooperate with the Secretary in this connection.

#### § 108. Advance acquisition of rights-of-way

(a) For the purpose of facilitating the acquisition of rights-of-way on any of the Federal-aid highway systems, including the Interstate System, in the most expeditious and economical manner, and recognizing that the acquisition of rights-of-way requires lengthy planning and negotiations if it is to be done at a reasonable cost, the Secretary, upon the request of the State highway department, is authorized to make available the funds apportioned to any State for expenditure on any of the Federal-aid highway systems, including the Interstate System, for acquisition of rights-of-way, in anticipation of construction and under such rules and regulations as the Secretary may prescribe. The agreement between the Secretary and the State highway department for the reimbursement of the cost of such rights-of-way shall provide for the actual construction of a road on such rights-of-way within a period not exceeding 5 years following the fiscal year in which such request is made.

(b) Federal participation in the cost of rights-of-way acquired under this section shall not exceed the Federal pro rata share applicable to the class of funds from which Federal reimbursement is made.

#### § 109. Standards

(a) The Secretary shall not approve plans and specifications for proposed projects on any Federal-aid system if they fail to provide for a facility (1) that will adequately meet the existing and probable future traffic needs and conditions in a manner conducive to safety, durability, and economy of maintenance; (2) that will be designed and constructed in accordance with standards best suited to accomplish the foregoing objectives and to conform to the particular needs of each locality.

(b) The geometric and construction standards to be adopted for the Interstate System shall be those approved by the Secretary in cooperation with the State highway departments. Such standards shall be adequate to accommodate the types and volumes of traffic forecast for the year 1975. The right-of-way width of the Interstate System shall be adequate to permit construction of projects on the Interstate System up to such standards. The Secretary shall apply such standards uniformly throughout the States.

(c) Projects on the Federal-aid secondary system in which Federal funds participate shall be constructed according to specifications that will provide all-weather service and permit maintenance at a reasonable cost.

(d) On any highway project in which Federal funds hereafter participate, or on any such project constructed since December 20, 1944, the location, form and character of informational, regulatory and warning signs, curb and pavement or other markings, and traffic signals installed or placed by any public authority or other agency, shall be subject to the approval of the State highway department with the concurrence of the Secretary, who is directed to concur only in such installations as will promote the safe and efficient utilization of the highways.

(e) No funds shall be approved for expenditure on any Federal-aid highway, or highway affected under chapter 2 of this title, unless proper safety protective devices complying with safety standards determined

by the Secretary at that time as being adequate shall be installed or be in operation at any highway and railroad grade crossing or drawbridge on that portion of the highway with respect to which such expenditures are to be made.

(f) The Secretary shall not, as a condition precedent to his approval under section 106 of this title, require any State to acquire title to, or control of, any marginal land along the proposed highway in addition to that reasonably necessary for road surfaces, median strips, gutters, ditches, and side slopes, and of sufficient width to provide service roads for adjacent property to permit safe access at controlled locations in order to expedite traffic, promote safety, and minimize roadside parking.

#### § 110. Project agreements

(a) As soon as practicable after the plans, specifications, and estimates for a specific project have been approved, the Secretary shall enter into a formal project agreement with the State highway department concerning the construction and maintenance of such project. Such project agreement shall make provision for State funds required for the State's pro rata share of the cost of construction of such project and for the maintenance thereof after completion of construction.

(b) The Secretary may rely upon representations made by the State highway department with respect to the arrangements or agreements made by the State highway department and appropriate local officials where a part of the project is to be constructed at the expense of, or in cooperation with, local subdivisions of the State.

#### § 111. Agreements relating to use of and access to rights-of-way, Interstate System

All agreements between the Secretary and the State highway department for the construction of projects on the Interstate System shall contain a clause providing that the State will not add any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain a clause providing that the State will not permit automotive service stations or other commercial establishments for serving motor vehicle users to be constructed or located on the rights-of-way of the Interstate System. Such agreements may, however, authorize a State or political subdivision thereof to use the airspace above and below the established grade line of the highway pavement for the parking of motor vehicles, provided such use does not interfere in any way with the free flow of traffic on the Interstate System.

#### § 112. Letting of contracts

(a) In all cases where the construction is to be performed by the State highway department or under its supervision, a request for submission of bids shall be made by advertisement unless some other method is approved by the Secretary. The Secretary shall require such plans and specifications and such methods of bidding as shall be effective in securing competition.

(b) Construction of each project, subject to the provisions of subsection (a) of this section, shall be performed by contract awarded by competitive bidding, unless the Secretary shall affirmatively find that, under the circumstances relating to such project, some other method is in the public interest. All such findings shall be reported promptly in writing to the Committees on Public Works of the Senate and the House of Representatives.

(c) The Secretary shall require as a condition precedent to his approval of each contract awarded by competitive bidding pursuant to subsection (b) of this section, and

subject to the provisions of this section, a sworn statement, executed by, or on behalf of, the person, firm, association, or corporation to whom such contract is to be awarded, certifying that such person, firm, association, or corporation has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with such contract.

(d) No contract awarded by competitive bidding pursuant to subsection (b) of this section, and subject to the provisions of this section, shall be entered into by any State highway department or local subdivision of the State without compliance with the provisions of this section, and without the prior concurrence of the Secretary in the award thereof.

(e) The provisions of this section shall not be applicable to contracts for projects on the Federal-aid secondary system in those States where the Secretary has discharged his responsibility pursuant to section 117 of this title.

#### § 113. Prevailing rate of wage—Interstate System

(a) The Secretary shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on the initial construction work performed on highway projects on the Interstate System authorized under section 108 (b) of the Federal-Aid Highway Act of 1956, shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of August 30, 1935, known as the Davis-Bacon Act (40 U. S. C., sec. 276a).

(b) In carrying out the duties of subsection (a) of this section, the Secretary of Labor shall consult with the highway department of the State in which a project on the Interstate System is to be performed. After giving due regard to the information thus obtained, he shall make a predetermination of the minimum wages to be paid laborers and mechanics in accordance with the provisions of subsection (a) of this section which shall be set out in each project advertisement for bids and in each bid proposal form and shall be made a part of the contract covering the project.

#### § 114. Construction

(a) The construction of any highways or portions of highways located on a Federal-aid system shall be undertaken by the respective State highway departments or under their direct supervision. Except as provided in section 117 of this title, such construction shall be subject to the inspection and approval of the Secretary. The construction work and labor in each State shall be performed under the direct supervision of the State highway department and in accordance with the laws of that State and applicable Federal laws. Construction may be begun as soon as funds are available for expenditure pursuant to subsection (a) of section 118 of this title.

(b) Convict labor shall not be used in such construction unless it is labor performed by convicts who are on parole or probation.

#### § 115. Construction by States in advance of apportionment—Interstate System

(a) When a State has obligated all funds apportioned to it under subsection (b) (4) and (5) of section 104 of this title, and proceeds to construct any project without the aid of Federal funds, including one or more parts of any project, on the Interstate System as designated at that time, in accordance with all procedures and all requirements applicable to projects financed with Interstate System funds authorized to be appropriated under subsection (b) of section 108 of the Federal-Aid Highway Act of



1956, except insofar as such procedures and requirements limit a State to the construction of projects with the aid of Federal funds previously apportioned to it, the Secretary, upon application by such State and his approval of such application, is authorized to pay to such State the Federal share of the costs of construction of such project when additional funds are apportioned to such State under subsection (b) (4) and (5) of section 104 of this title if:

(1) prior to the construction of the project the Secretary shall have approved the plans and specifications therefor in the same manner as other projects on the Interstate System; and

(2) the project shall conform to the standards adopted under subsection (b) of section 109 of this title.

(b) In determining the apportionment for any fiscal year under the provisions of subsection (b) (5) of section 104 of this title, any such project constructed by a State without the aid of Federal funds shall not be considered completed until an application under the provisions of this section with respect to such project has been approved by the Secretary.

#### § 116. Maintenance

(a) Except as provided in subsection (d) of this section, it shall be the duty of the State highway department to maintain, or cause to be maintained, any project constructed under the provisions of this chapter or constructed under the provisions of prior acts. The State's obligation to the United States to maintain any such project shall cease when it no longer constitutes a part of a Federal-aid system.

(b) In any State wherein the State highway department is without legal authority to maintain a project constructed on the Federal-aid secondary system, or within a municipality, such highway department shall enter into a formal agreement for its maintenance with the appropriate officials of the county or municipality in which such project is located.

(c) If at any time the Secretary shall find that any project constructed under the provisions of this chapter, or constructed under the provisions of prior acts, is not being properly maintained, he shall call such fact to the attention of the State highway department. If, within 90 days after receipt of such notice, such project has not been put in proper condition of maintenance, the Secretary shall withhold approval of further projects of all types in the entire State until such project shall have been put in proper condition of maintenance, unless such project is subject to an agreement pursuant to subsection (b) of this section, in which case approval shall be withheld only for secondary or urban projects in the county or municipality where such project is located.

(d) The Federal-aid funds apportioned to the Territory of Alaska and the funds contributed by the Territory under section 120 of this title may be expended for the maintenance of roads within the system or systems of roads agreed upon under section 103 (f) of this title under the same terms and conditions as for the construction of such roads.

#### § 117. Secondary road responsibility

(a) The Secretary may, upon the request of any State highway department, discharge his responsibility relative to the plans, specifications, estimates, surveys, contract awards, design, inspection, and construction of all projects on the Federal-aid secondary system by his receiving and approving a certified statement by the State highway department setting forth that the plans, design, and construction for each such project are in accord with those standards and procedures which (1) were adopted by such State highway department, (2) were applicable to projects in this category, and (3) were approved by him.

(b) The Secretary shall not approve such standards and procedures unless they are in accordance with the provisions of subsection (b) of section 105, subsection (b) of section 106, and subsection (c) of section 109, of this title.

(c) Subsections (a) and (b) of this section shall not be construed to relieve the Secretary of his obligation to make a final inspection of each project after construction and to require an adequate showing of the estimated cost of construction and the actual cost of construction.

#### § 118. Availability of sums apportioned

(a) On and after the date that the Secretary has certified to each State highway department the sums apportioned to each Federal-aid system or part thereof pursuant to an authorization under this title, or under prior acts, such sums shall be available for expenditure under the provisions of this title.

(b) Such sums shall continue available for expenditure in that State for the appropriate Federal-aid system or part thereof for a period of 2 years after the close of the fiscal year for which such sums are authorized and any amounts so apportioned remaining unexpended at the end of such period shall lapse, except that any amount apportioned to the States for the Interstate System under subsection (b) (4) and (5) of section 104 of this title remaining unexpended at the end of the period during which it is available under this section shall lapse and shall immediately be reapportioned among the other States in accordance with the provisions of subsection (b) (5) of section 104 of this title. Such sums for any fiscal year shall be deemed to be expended if a sum equal to the total of the sums apportioned to the State for such fiscal year and previous fiscal years is covered by formal project agreements providing for the expenditure of funds authorized by each act which contains provisions authorizing the appropriation of funds for Federal-aid highways. Any Federal-aid highway funds released by the payment of the final voucher or by the modification of the formal project agreement shall be credited to the same class of funds, primary, secondary, urban, or interstate, previously apportioned to the State and be immediately available for expenditure.

(c) The total payments to any State shall not at any time during a current fiscal year exceed the total of all apportionments to such State in accordance with section 104 of this title for such fiscal year and all preceding fiscal years.

#### § 119. Administration of Federal aid for highways in Alaska

(a) The Secretary shall administer the functions, duties, and authority pertaining to the construction, repair, and maintenance of roads, tramways, ferries, bridges, trails, and other works in Alaska, conferred upon the Department of the Interior and, prior to September 16, 1956, administered by the Secretary of the Interior under the act of June 30, 1932 (47 Stat. 446; 48 U. S. C., sec. 321a and following).

(b) The Secretary shall, by order or regulations, distribute the functions, duties, and authority required to be administered by him under subsection (a) of this section and appropriations pertaining thereto as he may deem proper to accomplish the economical and effective organization and administration thereof.

#### § 120. Federal share payable

(a) Subject to the provisions of subsections (d) and (h) of this section, the Federal share payable on account of any project, financed with primary, secondary, or urban funds, on the Federal-aid primary system and the Federal-aid secondary system shall not exceed 50 per centum of the cost of construction, except that in the case of any State containing unappropriated and unreserved public lands and nontaxable In-

dian lands, individual and tribal, exceeding 5 per centum of the total area of all lands therein, the Federal share shall be increased by a percentage of the remaining cost equal to the percentage that the area of all such lands in such State, is of its total area.

(b) Subject to the provisions of subsection (d) of this section, the Federal share payable on account of any project, financed with interstate funds on the Interstate System, authorized to be appropriated prior to June 29, 1956, shall not exceed 60 per centum of the cost of construction, except that in the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 per centum of the total area of all lands therein, the Federal share shall be increased by a percentage of the remaining cost equal to the percentage that the area of all such lands in such State, is of its total area. The provisions of subsection (a) of this section shall apply to any project financed with funds authorized by the provisions of section 2 of the Federal-Aid Highway Act of 1952.

(c) Subject to the provisions of subsection (d) of this section, the Federal share payable on account of any project on the Interstate System provided for by funds made available under the provisions of section 108 (b) of the Federal-Aid Highway Act of 1956 shall be increased to 90 per centum of the total cost thereof, plus a percentage of the remaining 10 per centum of such cost in any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 per centum of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area, except that such Federal share payable on any project in any State shall not exceed 95 per centum of the total cost of such project.

(d) The Federal share payable on account of any project for the elimination of hazards of railway-highway crossings, as more fully described and subject to the conditions and limitations set forth in section 130 of this title, may amount to 100 per centum of the cost of construction of such projects, except that not more than 50 per centum of the right-of-way and property damage costs, paid from public funds, on any such project, may be paid from sums apportioned in accordance with section 104 of this title: *Provided*, That not more than 10 per centum of all the sums apportioned for all the Federal-aid systems for any fiscal year in accordance with section 104 of this title shall be used under this subsection.

(e) The Secretary may rely on a statement from the Secretary of the Interior as to the area of the lands referred to in subsections (a) and (b) of this section. The Secretary of the Interior is authorized and directed to provide such statement annually.

(f) The Federal share payable on account of any repair or reconstruction provided for funds made available under section 125 of this title shall not exceed 50 per centum of the cost thereof.

(g) The Secretary is authorized to cooperate with the State highway departments and with the Department of the Interior in the construction of Federal-aid highways within Indian reservations and national parks and monuments under the jurisdiction of the Department of the Interior and to pay the amount assumed therefor from the funds apportioned in accordance with section 104 of this title to the State wherein the reservations and national parks and monuments are located.

(h) The Territory of Alaska shall contribute funds each fiscal year in an amount that shall be not less than 10 per cent of the Federal funds apportioned to it for such fiscal year, such contribution to be deposited in a special account in the Federal Treasury for use in conjunction with the Federal

funds apportioned to the Territory. The Federal funds apportioned to the Territory of Alaska and the funds contributed by the Territory may be expended by the Secretary either directly or in cooperation with the Alaska Highway and Public Works Board and may be so expended separately or in combination and without regard to the matching provisions of this chapter.

#### § 121. Payment to States for construction

(a) The Secretary may, in his discretion, from time to time as the work progresses, make payments to a State for costs of construction incurred by it on a project. These payments shall at no time exceed the Federal share of the costs of construction incurred to the date of the voucher covering such payment plus the Federal share of the value of the materials which have been stockpiled in the vicinity of such construction in conformity to plans and specifications for the project.

(b) After completion of a project in accordance with the plans and specifications, and approval of the final voucher by the Secretary, a State shall be entitled to payment out of the appropriate sums apportioned to it of the unpaid balance of the Federal share payable on account of such project.

(c) No payment shall be made under this chapter, except for a project located on a Federal-aid system and covered by a project agreement. No final payment shall be made to a State for its costs of construction of a project until the completion of the construction has been approved by the Secretary following inspections pursuant to section 114 (a) of this title.

(d) In making payments pursuant to this section, the Secretary shall be bound by the limitations with respect to the permissible amounts of such payments contained in sections 120 and 130 of this title. Payments for construction engineering on any one project shall not exceed the 10 percent of the Federal share of the cost of construction of such project after excluding from the cost of construction the costs of rights-of-way, preliminary engineering, and construction engineering.

(e) Such payments shall be made to such official or officials or depository as may be designated by the State highway department and authorized under the laws of the State to receive public funds of the State.

#### § 122. Payment to States for bond retirement

Any State that shall use the proceeds of bonds issued by the State, county, city, or other political subdivision of the State for the construction of one or more projects on the Federal-aid primary or Interstate System, or extensions of any of the Federal-aid highway systems in urban areas, may claim payment of any portion of the sums apportioned to it for expenditure on such system to aid in the retirement of the principal of such bonds at their maturities, to the extent that the proceeds of such bonds have been actually expended in the construction of one or more of such projects. Such claim for payment may be made only when all of the provisions of this title have been complied with to the same extent and with the same effect as though payment were to be made to the State under section 121 of this title, instead of this section, and the Federal share payable shall not exceed the pro rata basis of payment authorized in section 120 of this title. This section shall not be construed as a commitment or obligation on the part of the United States to provide funds for the payment of the principal of any such bonds.

#### § 123. Relocation of utility facilities

(a) When a State shall pay for the cost of relocation of utility facilities necessitated by the construction of a project on the Federal-aid primary or secondary systems or on the Interstate System, including extensions thereof within urban areas, Federal funds may be used to reimburse the State for such

cost in the same proportion as Federal funds are expended on the project. Federal funds shall not be used to reimburse the State under this section when the payment to the utility violates the law of the State or violates a legal contract between the utility and the State. Such reimbursement shall be made only after evidence satisfactory to the Secretary shall have been presented to him substantiating the fact that the State has paid such cost from its own funds with respect to Federal-aid highway projects for which Federal funds are obligated subsequent to April 16, 1958, for work, including relocation of utility facilities.

(b) The term "utility," for the purposes of this section, shall include publicly, privately, and cooperatively owned utilities.

(c) The term "cost of relocation," for the purposes of this section, shall include the entire amount paid by such utility properly attributable to such relocation after deducting therefrom any increase in the value of the new facility and any salvage value derived from the old facility.

#### § 124. Advances to State

If the Secretary shall determine that it is necessary for the expeditious completion of projects on any of the Federal-aid systems, including the Interstate System, he may advance to any State out of any existing appropriations the Federal share of the cost of construction thereof to enable the State highway department to make prompt payments for acquisition of rights-of-way, and for the construction as it progresses. The sums so advanced shall be deposited in a special revolving trust fund, by the State official authorized under the laws of the State to receive Federal-aid highway funds, to be disbursed solely upon vouchers approved by the State highway department for rights-of-way which have been or are being acquired, and for construction which has been actually performed and approved by the Secretary pursuant to this chapter. Upon determination by the Secretary that any part of the funds advanced to any State under the provisions of this section are no longer required, the amount of the advance, which is determined to be in excess of current requirements of the State, shall be repaid upon his demand, and such repayments shall be returned to the credit of the appropriation from which the funds were advanced. Any sum advanced and not repaid on demand shall be deducted from sums due the State for the Federal pro rata share of the cost of construction of Federal-aid projects.

#### § 125. Emergency relief

An emergency fund is authorized for expenditure by the Secretary in accordance with the provisions of this section. The Secretary may expend funds therefrom, after receipt of an application therefor from a State highway department, for the repair or reconstruction of highways and bridges on the Federal-aid highway systems, including the Interstate System, in accordance with the provisions of this chapter which he shall find have suffered serious damage as the result of disaster over a wide area, such as by floods, hurricanes, tidal waves, earthquakes, severe storms, landslides, or other catastrophes in any part of the United States. The appropriations of such moneys, not to exceed \$30 million, as may be necessary for the initial establishment of this fund and for its replenishment on an annual basis is authorized. Pending such appropriation or replenishment, the Secretary may expend from existing Federal-aid highway appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, such existing appropriations to be reimbursed from the appropriation hereinabove authorized when made. No funds shall be expended under the provisions of this section with respect to any such catastrophe in any State unless an emergency has been declared by the Gov-

ernor of such State and concurred in by the Secretary.

#### § 126. Diversion

(a) Since it is unfair and unjust to tax motor-vehicle transportation unless the proceeds of such taxation are applied to the construction, improvement, or maintenance of highways, after June 30, 1935, Federal aid for highway construction shall be extended only to those States that use at least the amounts provided by law on June 18, 1934, for such purposes in each State from State motor-vehicle registration fees, licenses, gasoline taxes, and other special taxes on motor-vehicle owners and operators of all kinds for the construction, improvement, and maintenance of highways and administrative expenses in connection therewith, including the retirement of bonds for the payment of which such revenues have been pledged, and for no other purposes, under such regulations as the Secretary of Commerce shall promulgate from time to time.

(b) In no case shall the provisions of this section operate to deprive any State of more than one-third of the entire apportionment authorized under this chapter to which that State would be entitled in any fiscal year. The amount of any reduction in a State's apportionment shall be reapportioned in the same manner as any other unexpended balance at the end of the period during which it otherwise would be available in accordance with section 104 (b) of this title.

#### § 127. Vehicle weight and width limitations—Interstate System

No funds authorized to be appropriated for any fiscal year under section 108 (b) of the Federal-Aid Highway Act of 1956 shall be apportioned to any State within the boundaries of which the Interstate System may lawfully be used by vehicles with weight in excess of 18,000 pounds carried on any one axle, or with a tandem-axle weight in excess of 32,000 pounds, or with an overall gross weight in excess of 73,280 pounds, or with a width in excess of 96 inches, or the corresponding maximum weights or maximum widths permitted for vehicles using the public highways of such State under laws or regulations established by appropriate State authority in effect on July 1, 1956, whichever is the greater. Any amount which is withheld from apportionment to any State pursuant to the foregoing provisions shall lapse. This section shall not be construed to deny apportionment to any State allowing the operation within such State of any vehicles or combinations thereof that could be lawfully operated within such State on July 1, 1956.

#### § 128. Public hearings

(a) Any State highway department which submits plans for a Federal-aid highway project involving the bypassing of, or going through, any city, town, or village, either incorporated or unincorporated, shall certify to the Secretary that it has had public hearings, or has afforded the opportunity for such hearings, and has considered the economic effects of such a location. Any State highway department which submits plans for an Interstate System project shall certify to the Secretary that it has had public hearings at a convenient location, or has afforded the opportunity for such hearings, for the purpose of enabling persons in rural areas through or contiguous to whose property the highway will pass to express any objections they may have to the proposed location of such highway.

(b) When hearings have been held under subsection (a), the State highway department shall submit a copy of the transcript of said hearings to the Secretary, together with the certification.

#### § 129. Toll roads, bridges and tunnels

(a) Notwithstanding the provisions of section 301 of this title, the Secretary may per-



mit Federal participation, on the same basis and in the same manner as in the construction of free highways under this chapter, in the construction of any toll bridge, toll tunnel, or approach thereto, upon compliance with the conditions contained in this section. Such bridge, tunnel, or approach thereto, must be publicly owned and operated. Federal funds may participate in the approaches to a toll bridge or toll tunnel whether such bridge or tunnel is to be or has been constructed, or acquired, by the State or other public authority. The State highway department or departments must be a party or parties to an agreement with the Secretary whereby it or they undertake performance of the following obligations:

(1) all tolls received from the operation of the bridge or tunnel, less the actual cost of such operation and maintenance, shall be applied to the repayment to the State or other public authority of all of the costs of construction or acquisition of such bridge or tunnel, except that part which was contributed by the United States;

(2) no tolls shall be charged for the use of such bridge or tunnel after the State or other public authority shall have been so repaid; and

(3) after the date of final repayment, the bridge or tunnel shall be maintained and operated as a free bridge or free tunnel.

(b) Upon a finding by the Secretary that such action will promote the development of an integrated Interstate System, the Secretary is authorized to approve as part of the Interstate System any toll road, bridge, or tunnel, now or hereafter constructed which meets the standards adopted for the improvement of projects located on the Interstate System, when such toll road, bridge, or tunnel is located on a route heretofore or hereafter designated as a part of the Interstate System. No Federal-aid highway funds shall be expended for the construction, reconstruction, or improvement of any such toll road, except to the extent permitted by law after June 29, 1956. No Federal-aid highway funds shall be expended for the construction, reconstruction, or improvement of any such toll bridge or tunnel, except to the extent permitted by law on or after June 29, 1956.

(c) Funds authorized under prior acts for expenditure on any of the Federal-aid highway systems, including the Interstate System, shall be available for expenditure on projects approaching any toll road, bridge, or tunnel to a point where such project will have some use irrespective of its use for such toll road, bridge, or tunnel.

(d) Funds authorized for the Interstate System shall be available for expenditure on Interstate System projects approaching any toll road on the Interstate System, although the project has no use other than an approach to such toll road, if an agreement satisfactory to the Secretary has been reached with the State prior to the approval of such project—

(1) that the section of toll road will become free to the public upon the collection of tolls sufficient to liquidate the cost of the toll road or any bonds outstanding at the time constituting a valid lien against such section of toll road covered in the agreement and their maintenance and operation and debt service during the period of toll collections, and

(2) that there is one or more reasonably satisfactory alternate free routes available to traffic by which the toll section of the system may be bypassed.

### § 130. Railway-highway crossings

(a) Except as provided in subsection (d) of section 120 of this title and subsection (b) of this section, the entire cost of construction of projects for the elimination of hazards of railway-highway crossings, including the separation or protection of grades at crossings, the reconstruction of existing

railroad grade-crossing structures, and the relocation of highways to eliminate grade crossings, may be paid from sums apportioned in accordance with section 104 of this title. In any case when the elimination of the hazards of a railway-highway crossing can be effected by the relocation of a portion of a railway at a cost estimated by the Secretary to be less than the cost of such elimination by one of the methods mentioned in the first sentence of this section, then the entire cost of such relocation project, except as provided in subsection (d) of section 120 of this title and subsection (b) of this section, may be paid from sums apportioned in accordance with section 104 of this title.

(b) The Secretary may classify the various types of projects involved in the elimination of hazards of railway-highway crossings, and may set for each such classification a percentage of the costs of construction which shall be deemed to represent the net benefit to the railroad or railroads for the purpose of determining the railroad's share of the cost of construction. The percentage so determined shall in no case exceed 10 percent. The Secretary shall determine the appropriate classification of each project.

(c) Any railroad involved in a project for the elimination of hazards of railway-highway crossings paid for in whole or in part from sums made available for expenditure under this title, or prior acts, shall be liable to the United States for the net benefit to the railroad determined under the classification of such project made pursuant to subsection (b) of this section. Such liability to the United States may be discharged by direct payment to the State highway department of the State in which the project is located, in which case such payment shall be credited to the cost of the project. Such payment may consist in whole or in part of materials and labor furnished by the railroad in connection with the construction of such project. If any such railroad fails to discharge such liability within a 6-month period after completion of the project, it shall be liable to the United States for its share of the cost, and the Secretary shall request the Attorney General to institute proceedings against such railroad for the recovery of the amount for which it is liable under this subsection. The Attorney General is authorized to bring such proceedings on behalf of the United States in the appropriate district court of the United States, and the United States shall be entitled in such proceedings to recover such sums as it is considered and adjudged by the court that such railroad is liable for in the premises. Any amounts recovered by the United States under this subsection shall be credited to miscellaneous receipts.

### § 131. Areas adjacent to the Interstate System

(a) To promote the safety, convenience, and enjoyment of public travel and the free flow of interstate commerce and to protect the public investment in the National System of Interstate and Defense Highways, it is declared to be in the public interest to encourage and assist the States to control the use of and to improve areas adjacent to the Interstate System by controlling the erection and maintenance of outdoor advertising signs, displays, and devices adjacent to that system. It is declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System constructed upon any part of right-of-way, the entire width of which is acquired subsequent to July 1, 1956, should be regulated, consistent with national standards to be prepared and promulgated by the Secretary, which shall in-

clude only the following four types of signs, and no signs advertising illegal activities:

(1) Directional or other official signs or notices that are required or authorized by law.

(2) Signs advertising the sale or lease of the property upon which they are located.

(3) Signs erected or maintained pursuant to authorization or permitted under State law, and not inconsistent with the national policy and standards of this section, advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

(4) Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

(b) The Secretary of Commerce is authorized to enter into agreements with State highway departments (including such supplementary agreements as may be necessary) to carry out the national policy set forth in subsection (a) of this section with respect to the Interstate System within the State. Any such agreement shall include provisions for regulation and control of the erection and maintenance of advertising signs, displays, and other advertising devices in conformity with the standards established in accordance with subsection (a) of this section and may include, among other things, provisions for preservation of natural beauty, prevention of erosion, landscaping, reforestation, development of viewpoints for scenic attractions that are accessible to the public without charge, and the erection of markers, signs, or plaques, and development of areas in appreciation of sites of historical significance. Upon application of the State, any such agreement may, within the discretion of the Secretary of Commerce, consistent with the national policy, provide for excluding from application of the national standards segments of the Interstate System which traverse incorporated municipalities wherein the use of real property adjacent to the Interstate System is subject to municipal regulation or control, or which traverse other areas where the land use is clearly established by State law as industrial or commercial, and any such segment excluded from the application of such standards shall not be considered in computing the increase of the Federal share payable on account thereof.

(c) Notwithstanding the provisions of section 109 of this title, if an agreement pursuant to this section has been entered into with any State prior to July 1, 1961, the Federal share payable on account of any project on the Interstate System within that State provided for by funds authorized under the provisions of section 108 (b) of the Federal-Aid Highway Act of 1956, as amended by section 8 of the Federal-Aid Highway Act of 1958, to which the national policy and the agreement apply, shall be increased by one-half of 1 percent of the total cost thereof, not including any additional cost that may be incurred in the carrying out of the agreement. The increase in the Federal share which is payable hereunder shall be paid only from appropriations from moneys in the Treasury not otherwise appropriated, which such appropriations are hereby authorized.

(d) Whenever any portion of the Interstate System is located upon or adjacent to any public lands or reservations of the United States, the Secretary of Commerce may make such arrangements and enter into such agreements with the agency having jurisdiction over such lands or reservations as may be necessary to carry out the national policy set forth in subsection (a) of this section, and any such agency is authorized and directed to cooperate fully with the Secretary of Commerce in this connection.

(e) Whenever a State shall acquire by purchase or condemnation the right to advertise or regulate advertising in an area adjacent to the right-of-way of a project on the Interstate System for the purpose of implementing this section, the cost of such acquisition shall be considered as a part of the cost of construction of such project and Federal funds may be used to pay the Federal pro rata share of such cost. Reimbursement to the State shall be made only with respect to that portion of such cost which does not exceed 5 percent of the cost of the right-of-way for such project.

#### Chapter 2—Other highways

Sec.

- 201. Authorizations.
- 202. Apportionment or allocation.
- 203. Availability of funds.
- 204. Forest highways.
- 205. Forest development roads and trails.
- 206. Park roads and trails.
- 207. Parkways.
- 208. Indian reservation roads.
- 209. Public lands highways.
- 210. Defense access roads.
- 211. Timber access road hearings.
- 212. Inter-American Highway.
- 213. Rama Road.

#### § 201. Authorizations.

The provisions of this title shall apply to all unappropriated authorizations contained in prior acts, and also to all unexpended appropriations heretofore made, providing for the expenditure of Federal funds on the following classes of highways: Forest highways, forest development roads and trails, park roads and trails, parkways, Indian reservation roads, public lands highways, and defense access roads. All such authorizations and appropriations shall continue in full force and effect, but hereafter obligations entered into and expenditures made pursuant thereto shall be subject to the provisions of this title.

#### § 202. Apportionment or allocation

(a) On or before January 1 next preceding the commencement of each fiscal year, the Secretary shall apportion the sums authorized to be appropriated for such fiscal year for forest highways in the several States, according to the area and value of the land owned by the United States within the national forests therein, which the Secretary of Agriculture is directed to determine and certify to the Secretary from such information, sources, and departments as the Secretary of Agriculture may deem most accurate.

(b) Sums authorized to be appropriated for forest development roads and trails shall be allocated by the Secretary of Agriculture according to the relative needs of the various national forests, taking into consideration the existing transportation facilities, value of timber or other resources served, relative fire danger, and comparative difficulties of road and trail construction.

(c) Sums authorized to be appropriated for public lands highways shall be allocated by the Secretary among those States having unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations, on the basis of need in such States, respectively, as determined by the Secretary upon application of the State highway departments of the respective States. Preference shall be given to those projects which are located on a Federal-aid system.

#### § 203. Availability of funds

Funds now authorized for forest highways, forest development roads and trails, park roads and trails, parkways, Indian reservation roads, and public lands highways shall be available for contract upon apportionment, or a date not earlier than 1 year preceding the beginning of the fiscal year for which authorized if no apportionment is required. Any amount remaining unex-

pendent for a period of 2 years after the close of the fiscal year for which authorized shall lapse. The Secretary of the Department charged with the administration of such funds is granted authority to incur obligations, approve projects, and enter into contracts under such authorizations and his action in doing so shall be deemed a contractual obligation of the United States for the payment of the cost thereof and such funds shall be deemed to have been expended when so obligated. Any funds heretofore or hereafter authorized for any fiscal year for forest highways, forest-development roads and trails, park roads and trails, parkways, Indian roads, and public lands highways shall be deemed to have been expended if a sum equal to the total of the sums authorized for such fiscal year and previous fiscal years since and including the fiscal year ending June 30, 1955, shall have been obligated. Any of such funds released by payment of final voucher or modification of project authorizations shall be credited to the balance of unobligated authorizations and be immediately available for expenditure.

#### § 204. Forest highways

(a) Funds available for forest highways shall be used by the Secretary to pay for the cost of construction and maintenance thereof. In connection therewith, the Secretary may enter into construction contracts and such other contracts with a State, or civil subdivision thereof, as he deems advisable.

(b) Cooperation of States, counties, or other local subdivisions may be accepted but shall not be required by the Secretary.

(c) Construction estimated to cost \$5,000 or more per mile, exclusive of bridges, shall be advertised and let to contract. If such estimated cost is less than \$5,000 per mile or if, after proper advertising, no acceptable bid is received or the bids are deemed excessive, the work may be done by the Secretary on his own account. For such purpose, the Secretary may purchase, lease, hire, rent, or otherwise obtain all necessary supplies, materials, tools, equipment, and facilities required to perform the work, and may pay wages, salaries, and other expenses for help employed in connection with such work.

(d) All appropriations for forest highways shall be administered in conformity with regulations jointly approved by the Secretary and the Secretary of Agriculture.

(e) The Secretary shall transfer to the Secretary of Agriculture from appropriations for forest highways such amounts as may be needed to cover necessary administrative expenses of the Forest Service in connection with the forest-highway program.

(f) Funds available for forest highways shall be available for adjacent vehicular parking areas and for sanitary, water, and fire-control facilities.

#### § 205. Forest development roads and trails

(a) Funds available for forest development roads and trails shall be used by the Secretary of Agriculture to pay for the cost of construction and maintenance thereof, including roads and trails, on experimental areas under Forest Service administration. In connection therewith, the Secretary of Agriculture may enter into construction contracts with a State, or civil subdivision thereof, and issue such regulations as he deems advisable.

(b) Cooperation of States, counties, or other local subdivisions may be accepted but shall not be required by the Secretary of Agriculture.

(c) Construction estimated to cost \$10,000 or more per mile, exclusive of bridges, shall be advertised and let to contract. If such estimated cost is less than \$10,000 per mile or if, after proper advertising, no acceptable bid is received or the bids are deemed excessive, the work may be done by the Secretary of Agriculture on his own account.

For such purpose, the Secretary of Agriculture may purchase, lease, hire, rent, or otherwise obtain all necessary supplies, materials, tools, equipment, and facilities required to perform the work, and may pay wages, salaries, and other expenses for help employed in connection with such work.

(d) Funds available for forest development roads and trails shall be available for adjacent vehicular parking areas and for sanitary, water, and fire control facilities.

#### § 206. Park roads and trails

(a) Funds available for park roads and trails shall be used to pay for the cost of construction and improvement thereof.

(b) Appropriations for the construction and improvement of park roads shall be administered in conformity with regulations jointly approved by the Secretary and the Secretary of the Interior.

#### § 207. Parkways

(a) Funds available for parkways shall be used to pay for the cost of construction and improvement thereof.

(b) Appropriations for the construction of parkways shall be administered in conformity with regulations jointly approved by the Secretary and the Secretary of the Interior.

(c) The location of parkways upon public lands, national forests, or other Federal reservations, shall be determined by agreement between the department having jurisdiction over such lands and the Secretary of the Interior.

#### § 208. Indian reservation roads

(a) Funds available for Indian reservation roads and bridges shall be used to pay for the cost of construction and improvement thereof.

(b) The Secretary shall approve the location, type, and design of all projects for Indian reservation roads and bridges before any expenditures are made thereon and all construction thereof shall be under the general supervision of the Secretary.

(c) Indian labor may be employed in such construction and improvement under such rules and regulations as may be prescribed by the Secretary of the Interior.

#### § 209. Public lands highways

(a) Funds available for public lands highways shall be used by the Secretary to pay for the cost of construction and maintenance thereof.

(b) The Secretary is authorized to cooperate with the State highway departments and with the Secretary of the Department having jurisdiction over the particular lands, in the survey, construction, and maintenance of public lands highways.

(c) The provisions of section 112 of this title are applicable to public lands highways.

#### § 210. Defense access roads

(a) The Secretary is authorized, out of the funds appropriated for defense access roads, to provide for the construction and maintenance of defense access roads (including bridges, tubes, and tunnels thereon) to military reservations, to defense industries and defense industry sites, and to the sources of raw materials when such roads are certified to the Secretary as important to the national defense by the Secretary of Defense or such other official as the President may designate, and for replacing existing highways and highway connections that are shut off from the general public use by necessary closures or restrictions at military reservations and defense industry sites.

(b) Funds appropriated for the purposes of this section shall be available, without regard to apportionment among the several States, for paying all or any part of the cost of the construction and maintenance of defense access roads.

(c) Not exceeding \$5 million of any funds appropriated under the act approved October 16, 1951 (65 Stat. 422), may be used by the



Secretary in areas certified to him by the Secretary of Defense as maneuver areas for such construction, maintenance, and repair work as may be necessary to keep the highways therein, which have been or may be used for training of the Armed Forces, in suitable condition for such training purposes and for repairing the damage caused to such highways by the operations of men and equipment in such training.

(d) Whenever any project for the construction of a circumferential highway around a city or of a radial intracity route thereto submitted by any State is certified by the Secretary of Defense, or such other official as the President may designate, as being important for civilian or military defense, such project may be constructed out of the funds heretofore or hereafter authorized to be appropriated for defense access roads.

(e) If the Secretary shall determine that the State highway department of any State is unable to obtain possession and the right to enter upon and use the required rights-of-way, lands, or interest in lands, improved or unimproved, required for any project authorized by this section with sufficient promptness, the Secretary is authorized to acquire, enter upon, take possession thereof, and expend funds for projects thereon, prior to approval of title by the Attorney General, in the name of the United States, such rights-of-way, lands, or interest in lands as may be required in such State for such projects by purchase, donation, condemnation, or otherwise in accordance with the laws of the United States (including the act of February 26, 1931; 46 Stat. 1421). The cost incurred by the Secretary in acquiring any such rights-of-way, lands, or interest in lands may include the cost of examination and abstract of title, certificate of title, advertising, and any fees incidental to such acquisition; and shall be payable out of the funds available for paying the cost or the Federal share of the cost of the project for which such rights-of-way, lands, or interests in lands are acquired. The Secretary is further authorized and directed by proper deed executed in the name of the United States to convey any lands or interests in lands acquired in any State under the provisions of prior acts or of this section to the State highway department of such State or to such political subdivision thereof as its laws may provide, upon such terms and conditions as may be agreed upon by the Secretary and the State highway department, or political subdivisions to which the conveyance is to be made.

(f) The provisions of section 112 of this title are applicable to defense access roads.

#### § 211. Timber access road hearings

With respect to any proposed construction of a timber access road from funds authorized for carrying out the provisions of sections 204, 205, and 210 of this title, advisory public hearings may be held at a place of convenient or adjacent to the area of construction with notice and reasonable opportunity for interested persons to present their views as to the practicability and feasibility of such construction.

#### § 212. Inter-American Highway

(a) Funds appropriated for the Inter-American Highway shall be used to enable the United States to cooperate with the Governments of the American Republics situated in Central America—that is, with the Governments of the Republic of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama—in the survey and construction of the Inter-American Highway within the borders of the aforesaid Republics, respectively. Not to exceed one-third of the appropriation authorized for each fiscal year may be expended without requiring the country or countries in which such funds may be expended to match any part thereof, if the Secretary of State shall find that the

cost of constructing said highway in such country or countries will be beyond their reasonable capacity to bear. The remainder of such authorized appropriations shall be available for expenditure only when matched to the extent required by this section by the country in which such expenditure may be made. Expenditures from the funds available on a matching basis shall not be made for the survey and construction of any portion of said highway within the borders of any country named herein unless such country shall provide and make available for expenditure in conjunction therewith a sum equal to at least one-third of the expenditures that may be incurred by that Government and the United States on such portion of the highway. All expenditures by the United States under the provisions of this section for material, equipment, and supplies shall, whenever practicable, be made for products of the United States or of the country in which such survey or construction work is being carried on. Construction work to be performed under contract shall be advertised for a reasonable period by the Minister of Public Works, or other similar official, of the government concerned in each of the participating countries and contracts shall be awarded pursuant to such advertisements with the approval of the Secretary. No part of the appropriations authorized shall be available for obligation or expenditure for work on said highway in any cooperating country unless the government of said country shall have assented to the provisions of this section; shall have furnished satisfactory assurances that it has an organization adequately qualified to administer the functions required of such country under the provisions hereof; and then only as such country may submit requests, from time to time, for the construction of any portion of the highway to standards adequate to meet present and future traffic needs. No part of said appropriations shall be available for obligation or expenditure in any such country until the government of that country shall have entered into an agreement with the United States which shall provide, in part, that said country—

(1) will provide, without participation of funds authorized, all necessary rights-of-way for the construction of said highway, which rights-of-way shall be of a minimum width where practicable of one hundred meters in rural areas and fifty meters in municipalities and shall forever be held inviolate as a part of the highway for public use;

(2) will not impose any highway toll, or permit any such toll to be charged, for use by vehicles or persons of any portion of said highway constructed under the provisions of this section;

(3) will not levy or assess, directly or indirectly, any fee, tax, or other charge for the use of said highway by vehicles or persons from the United States that does not apply equally to vehicle or persons of such country;

(4) will continue to grant reciprocal recognition of vehicle registration and drivers' licenses in accordance with the provisions of the Convention for the Regulation of Inter-American Automotive Traffic, which was opened for signature at the Pan American Union in Washington on December 15, 1943, and to which such country and the United States are parties, or of any other treaty or international convention establishing similar reciprocal recognition; and

(5) will provide for the maintenance of said highway after its completion in condition adequately to serve the needs of present and future traffic.

(b) The survey and construction work authorized by this section shall be under the administration of the Secretary, who shall consult with the appropriate officials of the Department of State with respect to matters involving the foreign relations of

this Government, and such negotiations with the Governments of the American Republics named in subsection (a) of this section as may be required to carry out the purposes of this section shall be conducted through, or as authorized by, the Department of State.

(c) The provisions of this section shall not create nor authorize the creation of any obligations on the part of the Government of the United States with respect to any expenditures for highway construction or survey heretofore or hereafter undertaken in any of the countries enumerated in subsection (a) of this section, other than the expenditures authorized by the provisions of this section.

(d) Appropriations made pursuant to any authorizations heretofore, or hereafter enacted for the Inter-American Highway shall be considered available for expenditure by the Secretary for necessary administrative and engineering expenses in connection with the Inter-American Highway program.

#### § 213. Rama Road

(a) Recognizing the mutual benefits that will accrue to the Republic of Nicaragua and to the United States from the completion of the road from San Benito to Rama in said Republic of Nicaragua, the construction of which road was begun and partially completed pursuant to an agreement between said Republic and the United States, the Secretary is authorized out of the funds appropriated for such purposes to provide for the construction of such road. Appropriations made for such purposes shall remain available until expended. No expenditure shall be made hereunder for the construction of said road until a request therefor shall have been received by the Secretary of State from the Government of the Republic of Nicaragua nor until an agreement shall have been entered into by said Republic with the Secretary of State which shall provide, in part, that said Republic—

(1) will provide, without participation of funds authorized under this title, or under prior acts, all necessary right-of-way for the construction of said highway, which right-of-way shall be of a minimum width, where practicable, of 100 meters in rural areas and 60 meters in municipalities and shall forever be held inviolate as a part of the highway for public use;

(2) will not impose any highway toll, or permit any such toll to be charged for the use of said highway by vehicles or persons;

(3) will not levy or assess, directly or indirectly, any fee, tax, or other charge for the use of said road by vehicles or persons from the United States that does not apply equally to vehicles or persons of such Republic;

(4) will continue to grant reciprocal recognition of vehicle registration and drivers' licenses in accordance with the provisions of the Convention for the Regulation of Inter-American Automotive Traffic, which was opened for signature at the Pan American Union in Washington on December 15, 1943, and to which such Republic and the United States are parties; or any other treaty or international convention establishing similar reciprocal recognition; and

(5) will maintain said road after its completion in proper condition adequately to serve the needs of present and future traffic.

(b) The funds appropriated for such purposes shall be available for expenditure in accordance with the terms of this section for the survey and construction of said road from San Benito to Rama in the Republic of Nicaragua without being matched by said Republic, and all expenditures made under the provisions of this section for materials, equipment, and supplies, shall, whenever practicable, be made for products of the United States or of the Republic of Nicaragua.

(c) The survey and construction work undertaken pursuant to this section shall be under the general supervision of the Secretary.

### Chapter 3—General provisions

Sec.

- 301. Freedom from tolls.
- 302. State highway department.
- 303. Bureau organization.
- 304. Participation by small-business enterprises.
- 305. Archeological and paleontological salvage.
- 306. Mapping.
- 307. Research and planning.
- 308. Cooperation with Federal and State agencies and foreign countries.
- 309. Cooperation with other American Republics.
- 310. Civil Defense.
- 311. Highway improvements strategically important to the national defense.
- 312. Detail of Army, Navy, and Air Force officers.
- 313. Highway Safety Conference.
- 314. Relief of employees in hazardous work.
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- 316. Rules, regulations, and recommendations.
- 317. Consent by United States to conveyance of property.
- 318. Appropriation for highway purposes of lands or interests in lands owned by the United States.
- 319. Highway relocation due to airport.
- 320. Landscaping.
- 321. Bridges on Federal dams.

#### § 301. Freedom from tolls

Except as provided in section 129 of this title with respect to certain toll bridges and toll tunnels, all highways constructed under the provisions of this title shall be free from tolls of all kinds.

#### § 302. State highway department

(a) Any State desiring to avail itself of the provisions of this title shall have a State highway department which shall have adequate powers, and be suitably equipped and organized to discharge to the satisfaction of the Secretary the duties required by this title. Among other things, the organization shall include a secondary road unit.

(b) The State highway department may arrange with a county or group of counties for competent highway engineering personnel suitably organized and equipped to the satisfaction of the State highway department, to supervise construction and maintenance on a county-unit or group-unit basis, for the construction of projects on the Federal-aid secondary system, financed with secondary funds, and for the maintenance thereof.

#### § 303. Bureau organization

(a) The Bureau of Public Roads shall be in the Department of Commerce as a primary unit administered by the Federal Highway Administrator, appointed by the President by and with the advice and consent of the Senate. The Administrator shall receive basic compensation at the rate prescribed by law for Assistant Secretaries of executive departments and shall perform such duties as the Secretary of Commerce may prescribe or as may be required by law. There shall be a Commissioner of Public Roads in the Bureau of Public Roads who shall be appointed by the Secretary and perform such duties as may be prescribed by the Federal Highway Administrator. The Commissioner of Public Roads shall receive basic compensation at the rate of \$17,500 per annum.

(b) The Secretary is authorized to employ such assistants, clerks, and other persons in the city of Washington and elsewhere, to be taken from the eligible lists of the Civil Service Commission, to rent buildings outside of the city of Washington, to purchase such supplies, material, equipment, office

fixtures and apparatus, to advertise in the city of Washington for work to be performed in areas adjacent thereto, and to incur, and authorize the incurring of, such travel and other expenses as he may deem necessary for carrying out the functions under this title.

(c) The Secretary is authorized to procure temporary services in accordance with the provisions of section 15 of the act of August 2, 1946 (5 U. S. C. 55a), but at rates for individuals not in excess of \$100 per diem.

#### § 304. Participation by small-business enterprises

It is declared to be in the national interest to encourage and develop the actual and potential capacity of small business and to utilize this important segment of our economy to the fullest practicable extent in construction of the Federal-aid highway systems, including the Interstate System. In order to carry out that intent and encourage full and free competition, the Secretary should assist, insofar as feasible, small-business enterprises in obtaining contracts in connection with the prosecution of the highway program.

#### § 305. Archeological and paleontological salvage

Funds authorized to be appropriated under the Federal-Aid Highway Act of 1956, to the extent approved as necessary by the highway department of any State, may be used for archeological and paleontological salvage in that State in compliance with the act entitled "An act for the preservation of American antiquities," approved June 8, 1906 (34 Stat. 225), and State laws where applicable.

#### § 306. Mapping

In carrying out the provision of this title, the Secretary may, wherever practicable, authorize the use of photogrammetric methods in mapping, and the utilization of commercial enterprise for such services.

#### § 307. Research and planning

(a) The Secretary is authorized in his discretion to engage in research on all phases of highway construction, modernization, development, design, maintenance, safety, financing, and traffic conditions, including the effect thereon of State laws and is authorized to test, develop, or assist in the testing and developing of any material, invention, patented article, or process. The Secretary may publish the results of such research. The Secretary may carry out the authority granted hereby, either independently, or in cooperation with any other branch of the Government, State agency, authority, association, institution, corporation (profit or nonprofit), or any other organization, or person. The funds required to carry out the provisions of this subsection shall be taken out of the administrative and research funds authorized by section 104 of this title and such funds as may be deposited in a special account with the Secretary of the Treasury for such purposes by any cooperating organization or person. The provisions of section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), shall not be applicable to contracts or agreements made under the authority of this subsection.

(b) The Secretary shall include in the highway research program herein authorized studies of economic highway geometrics, structures, and desirable weight and size standards for vehicles using the public highways and of the feasibility of uniformity in State regulations with respect to such standards and he shall report from time to time to the Committees on Public Works of the Senate and of the House of Representatives on the progress and findings with respect to such studies.

(c) Not to exceed 1½ percent of the sums apportioned for any year to any State under section 104 of this title shall be available for expenditure upon request of the State high-

way department, with the approval of the Secretary, with or without State funds, for engineering and economic surveys and investigations, for the planning of future highway programs and the financing thereof, for studies of the economy, safety, and convenience of highway usage and the desirable regulation and equitable taxation thereof, and for research necessary in connection with the planning, design, construction, and maintenance of highways and highway systems, and the regulation and taxation of their use.

#### § 308. Cooperation with Federal and State agencies and foreign countries

(a) The Secretary is authorized to perform by contract or otherwise, authorized engineering or other services in connection with the survey, construction, maintenance, or improvement of highways for other Government agencies, cooperating foreign countries, and State cooperating agencies, and reimbursement for such services, which may include depreciation on engineering and road-building equipment used, shall be credited to the appropriation concerned.

(b) Appropriations for the work of the Bureau of Public Roads shall be available for expenses of warehouse maintenance and the procurement, care, and handling of supplies, materials, and equipment for distribution to projects under the supervision of the Bureau of Public Roads, or for sale or distribution to other Government agencies, cooperating foreign countries, and State cooperating agencies, and the cost of such supplies and materials or the value of such equipment, including the cost of transportation and handling, may be reimbursed to current applicable appropriations.

#### § 309. Cooperation with other American Republics

The President is authorized to utilize the services of the Bureau of Public Roads in fulfilling the obligations of the United States under the Convention on the Pan-American Highway Between the United States and Other American Republics (51 Stat. 152), cooperating with several governments, members of the Organization of American States, in connection with the survey and construction of the Inter-American Highway, and for performing engineering service in the other American Republics for and upon the request of any agency or governmental corporation of the United States. To the extent authorized in appropriation acts, administrative funds available in accordance with subsection (a) of section 104 of this title shall be available annually for the purpose of this section.

#### § 310. Civil defense

In order to assure that adequate consideration is given to civil defense aspects in the planning and construction of highways constructed or reconstructed with the aid of Federal funds, the Secretary of Commerce is authorized and directed to consult, from time to time, with the Federal Civil Defense Administrator relative to the civil defense aspects of highways so constructed or reconstructed.

#### § 311. Highway improvements strategically important to the national defense

Funds made available under subsection (a) of section 104 of this title may be used to pay the entire engineering costs of the surveys, plans, specifications, estimates, and supervision of construction of projects for such urgent improvements of highways strategically important from the standpoint of the national defense as may be undertaken on the order of the Secretary and as the result of request of the Secretary of Defense or such other official as the President may designate. With the consent of a State, funds made available under subsection (b) of section 104 of this title may be used to the extent deemed necessary and advisable by the Secretary to carry out the provisions of this section.



### § 312. Detail of Army, Navy, and Air Force officers

The Secretary of Defense, upon request of the Secretary, is authorized to make temporary details to the Bureau of Public Roads of officers of the Army, the Navy, and the Air Force, without additional compensation, for technical advice and for consultation regarding highway needs for the national defense. Travel and subsistence expenses of officers so detailed shall be paid from appropriations available to the Department of Commerce on the same basis as authorized by law and by regulations of the Department of Defense for such officers.

### § 313. Highway Safety Conference

The Secretary is authorized and directed to assist in carrying out the action program of the President on highway safety, and to cooperate with the State highway departments and other agencies in this program to advance the cause of safety on highways. Not to exceed \$150,000 out of the administrative funds made available in accordance with subsection (a) of section 104 of this title may be expended annually for the purposes of this section.

### § 314. Relief of employees in hazardous work

The Secretary is authorized in an emergency to use appropriations to the Department of Commerce for carrying out the provisions of this title for medical supplies, services, and other assistance necessary for the immediate relief of employees of the Bureau of Public Roads engaged in hazardous work.

### § 315. Rules, regulations, and recommendations

Except as provided in sections 204 (d), 205 (a), 206 (b), 207 (b), and 208 (c) of this title, the Secretary is authorized to prescribe and promulgate all needful rules and regulations for the carrying out of the provisions of this title. The Secretary may make such recommendations to the Congress and State highway departments as he deems necessary for preserving and protecting the highways and insuring the safety of traffic thereon.

### § 316. Consent by United States to conveyance of property

For the purposes of this title the consent of the United States is given to any railroad or canal company to convey to the State highway department of any State, or its nominee, any part of its right-of-way or other property in that State acquired by grant from the United States.

### § 317. Appropriation for highway purposes of lands or interests in lands owned by the United States

(a) If the Secretary determines that any part of the lands or interests in lands owned by the United States is reasonably necessary for the right-of-way of any highway, or as a source of materials for the construction or maintenance of any such highway adjacent to such lands or interests in lands, the Secretary shall file with the Secretary of the Department supervising the administration of such lands or interests in lands a map showing the portion of such lands or interests in lands which it is desired to appropriate.

(b) If within a period of 4 months after such filing, the Secretary of such Department shall not have certified to the Secretary that the proposed appropriation of such land or material is contrary to the public interest or inconsistent with the purposes for which such land or materials have been reserved, or shall have agreed to the appropriation and transfer under conditions which he deems necessary for the adequate protection and utilization of the reserve, then such land and materials may be appropriated and transferred to the State highway department, or its nominee, for such purposes and subject to the conditions so specified.

(c) If at any time the need for any such lands or materials for such purposes shall no longer exist, notice of the fact shall be given by the State highway department to the Secretary and such lands or materials shall immediately revert to the control of the Secretary of the Department from which they had been appropriated.

(d) The provisions of this section shall apply only to projects constructed on a Federal-aid system or under the provisions of chapter 2 of this title.

### § 318. Highway relocation due to airport

Federal highway funds shall not be used for the reconstruction or relocation of any highway giving access to an airport constructed or extended after December 20, 1944, or for the reconstruction or relocation of any highway which has been or may be closed or the usefulness of which has been or may be impaired by the location or construction of any airport constructed or extended after December 20, 1944, unless, prior to such construction or extension, as the case may be, the State highway department and the Secretary have concurred with the officials in charge of the airport that the location of such airport or extension thereof and the consequent reconstruction or relocation of the highway are in the public interest.

### § 319. Landscaping

The construction of highways by the States with funds apportioned in accordance with section 104 of this title may include such roadside and landscape development, including such sanitary and other facilities as may be deemed reasonably necessary to provide for the suitable accommodation of the public, all within the highway right-of-way and adjacent publicly owned or controlled rest and recreational areas of limited size and with provision for convenient and safe access thereto by pedestrian and vehicular traffic, as may be approved by the Secretary. Such construction likewise may include the purchase of such adjacent strips of land of limited width and primary importance for the preservation of the natural beauty through which highways are constructed, as may be approved by the Secretary. Not to exceed 3 percent of such sums, apportioned to a State in any fiscal year in accordance with section 104 of this title may be used by it for the purchase of such adjacent strips of land without being matched by such State.

### § 320. Bridges on Federal dams

(a) Each executive department, independent establishment, office, board, bureau, commission, authority, administration, corporation wholly owned or controlled by the United States, or other agency of the Government of the United States, hereinafter collectively and individually referred to as "agency," which on or after July 29, 1946, has jurisdiction over and custody of any dam constructed or to be constructed and owned by or for the United States, is authorized, with any funds available to it, to design and construct any such dam in such manner that it will constitute and serve as a suitable and adequate foundation to support a public highway bridge upon and across such dam, and to design and construct upon the foundation thus provided a public highway bridge upon and across such dam. The highway department of the State in which such dam shall be located, jointly with the Secretary, shall first determine and certify to such agency that such bridge is economically desirable and needed as a link in the State- or Federal-aid highway systems, and shall request such agency to design and construct such dam so that it will serve as a suitable and adequate foundation for a public highway bridge and to design and construct such public highway bridge upon and across such dam, and shall agree to reimburse such agency pursuant to subsection

(d) of this section for any additional costs which it may be required to incur because of the design and construction of such dam so that it will serve as a foundation for a public highway bridge and for expenditures which it may find it necessary to make in designing and constructing such public highway bridge upon and across such dam. In no case shall the design and construction of a bridge upon and across such dam be undertaken hereunder except by the agency having jurisdiction over and custody of the dam, acting directly or through contractors employed by it, and after such agency shall determine that it will be structurally feasible and will not interfere with the proper functioning and operation of the dam.

(b) Construction of any bridge upon and across any dam pursuant to this section shall not be commenced unless and until the State in which such bridge is to be located, or the appropriate subdivision of such State, shall enter into an agreement with such agency and with the Secretary to construct, or cause to be constructed, with or without the aid of Federal funds, the approach roads necessary to connect such bridge with existing public highways and to maintain, or cause to be maintained, such approach roads from and after their completion. Such agreement may also provide for the design and construction of such bridge upon and across the dam by such agency of the United States and for reimbursing such agency the costs incurred by it in the design and construction of the bridge as provided in subsection (d) of this section. Any such agency is hereby authorized to convey to the State, or to the appropriate subdivision thereof, without costs, such easements and rights-of-way in its custody or over lands of the United States in its custody and control as may be necessary, convenient, or proper for the location, construction, and maintenance of the approach roads referred to in this section including such roadside parks or recreational areas of limited size as may be deemed necessary for the accommodation of the traveling public. Any bridge constructed pursuant to this section upon and across a dam in the custody and jurisdiction of any agency of the United States, including such portion thereof, if any, as may extend beyond the physical limits of the dam, shall constitute and remain a part of said dam and be maintained by the agency. Any such agency may enter into any such contracts and agreements with the State or its subdivisions respecting public use of any bridge so located and constructed as may be deemed appropriate, but no such bridge shall be closed to public use by the agency except in cases of emergency or when deemed necessary in the interest of national security.

(c) All costs and expenses incurred and expenditures made by any agency in the exercise of the powers and authority conferred by this section (but not including any costs, expenses, or expenditures which would have been required in any event to satisfy a legal road or bridge relocation obligation or to meet operating or other agency needs) shall be recorded and kept separate and apart from the other costs, expenses, and expenditures of such agency, and no portion thereof shall be charged or allocated to flood control, navigation, irrigation, fertilized production, the national defense, the development of power, or other program, purpose, or function of such agency.

(d) Not to exceed \$10 million of any money heretofore or hereafter appropriated for expenditure in accordance with the provisions of this title or prior acts shall be available for expenditure by the Secretary in accordance with the provisions of this section, as an emergency fund, to reimburse any agency for any additional costs or expenditures which it may be required to

incur because of the design and construction of any such dam so that it will constitute and serve as a foundation for a public highway bridge upon and across such dam and to reimburse any such agency for any costs, expenses, or expenditures which it may be required to make in designing and constructing any such bridge upon and across a dam in accordance with the provisions of this section, except such costs, expenses, or expenditures as would have been required of such agency in any event to satisfy a legal obligation to relocate a highway or bridge or to meet operating or other agency needs, and there is authorized to be appropriated any sum or sums necessary to reimburse the funds so expended by the Secretary from time to time under the authority of this section. Of each bridge constructed upon and across a dam under the provisions of this section, there may be financed wholly with Federal funds that portion thereof which is located within the physical limits of the masonry structure, or structures, of the dam, and the Secretary shall in his sole discretion determine what additional portion of the bridge, if any, may be so financed, such determination to be final and conclusive. The remainder of the bridge, and any necessary related approach roads, shall be financed by the State or its appropriate subdivision with or without the aid of Federal funds; but said portion of the bridge so financed by the State or its subdivisions, including such portion thereof, if any, as may extend beyond the physical limits of the dam, shall nevertheless be designed and constructed solely by the agency having custody and jurisdiction of the dam as provided in subsection (a) of this section.

(e) In making, reviewing, or approving the design of any bridge or approach structure to be constructed under this section, the agency shall, in matters relating to roadway design, loadings, clearances and widths, and traffic safeguards, give full consideration to and be guided by the standards and advice of the Secretary.

(f) The authority conferred by this section shall be in addition to and not in limitation of authority conferred upon any agency by any other law, and nothing in this section contained shall affect or be deemed to relate to any bridge, approach structure, or highway constructed or to be constructed by any such agency in furtherance of its lawful purposes and requirements or to satisfy a legal obligation incurred independently of this section.

#### REPEAL OF PRIOR ACTS

SEC. 2. The following acts and portion of acts cited by reference to the Statutes at Large, except for the provisions and sections hereinafter excepted, are hereby repealed:

1. Act of July 11, 1916 (39 Stat., ch. 241, p. 355).
2. Sections 5, 6, 7, 8, and 9 of act of February 28, 1919 (40 Stat., ch. 60, p. 1189 at 1200-1202).
3. Act of November 9, 1921 (42 Stat., ch. 119, p. 212).
4. Section 4 of act of June 19, 1922 (42 Stat., ch. 227, p. 652 at 660-661).
5. Section 1 of act of March 10, 1924 (43 Stat., ch. 46, p. 17).
6. Act of February 12, 1925 (43 Stat., ch. 219, p. 889).
7. Act of June 22, 1926 (44 Stat., ch. 648, p. 760).
8. Act of March 3, 1927 (44 Stat., ch. 370, p. 1398).
9. Act of May 21, 1928 (45 Stat., ch. 660, p. 683).
10. Act of May 26, 1928 (45 Stat., ch. 755, p. 750).
11. Act of April 4, 1930 (46 Stat., ch. 105, p. 141).
12. Act of May 5, 1930 (46 Stat., ch. 226, p. 261).
13. Act of June 24, 1930 (46 Stat., ch. 593, p. 805).
14. Act of February 20, 1931 (46 Stat., ch. 231, p. 1173).
15. Act of February 23, 1931 (46 Stat., ch. 283, p. 1415).
16. Section 304 of act of July 21, 1932 (47 Stat., ch. 520, p. 709 at 722).
17. Subsection (g) of section 204 of act of June 16, 1933 (48 Stat., ch. 90, p. 195 at 204).
18. Act of June 18, 1934 (48 Stat., ch. 586, p. 993).
19. Act of June 16, 1936 (49 Stat., ch. 582, p. 1519).
20. Act of June 23, 1936 (49 Stat., ch. 730, p. 1891).
21. Act of June 8, 1938 (52 Stat., ch. 328, p. 633), except the following provision: Section 4 thereof.
22. Act of July 19, 1939 (53 Stat., ch. 328, p. 1066).
23. Act of September 5, 1940 (54 Stat., ch. 715, p. 867).
24. Act of November 19, 1941 (55 Stat., ch. 474, p. 765).
25. Act of July 2, 1942 (56 Stat., ch. 474, p. 562).
26. Act of July 13, 1943 (57 Stat., ch. 236, p. 560), except the following provision: Subsection (a) of section 7 thereof.
27. Act of April 4, 1944 (58 Stat., ch. 164, p. 189).
28. Act of December 20, 1944 (58 Stat., ch. 626, p. 838).
29. Act of July 31, 1945 (59 Stat., ch. 333, p. 507).
30. Act of July 29, 1946 (60 Stat., ch. 694, p. 709).
31. Act of June 21, 1947 (61 Stat., ch. 114, p. 136).
32. Act of June 29, 1948 (62 Stat., ch. 732, p. 1105).
33. Act of September 7, 1950 (64 Stat. 785).
34. Act of October 15, 1951 (65 Stat., ch. 501, p. 421), except the following provision: Section 1 thereof.
35. Act of October 16, 1951 (65 Stat., ch. 507, p. 422).
36. Act of June 25, 1952 (66 Stat., ch. 462, p. 158), except the following provisions:
  - (a) The first two paragraphs of section 1;
  - (b) The first sentence of section 2;
  - (c) In section 3 in the first sentence the following words: "For the purpose of carrying out the provisions of section 23 of the Federal Highway Act (42 Stat. 218), as amended and supplemented, there is hereby authorized to be appropriated (1) for forest highways the sum of \$22,500,000 for the fiscal year ending June 30, 1954, and a like sum for the fiscal year ending June 30, 1955, and (2) for forest development roads and trails the sum of \$22,500,000 for the fiscal year ending June 30, 1955."
  - (d) In subsection (a) of section 4 the following words: "For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in national parks, monuments, and other areas administered by the National Park Service, including areas authorized to be established as national parks and monuments, and national park and monument approach roads authorized by the act of January 31, 1931 (46 Stat. 1053), as amended, there is hereby authorized to be appropriated the sum of \$10 million for the fiscal year ending June 30, 1955."
  - (e) Subsection (b) of section 4;
  - (f) In subsection (c) of section 4 the following words: "For the construction, improvement, and maintenance of Indian reservation roads and bridges and roads and bridges to provide access to Indian reservations and Indian lands under the provisions of the act approved May 26, 1928 (45 Stat. 750), there is hereby authorized to be appropriated the sum of \$10 million for the fiscal year ending June 30, 1955."
  - (g) In the first sentence of section 5 the following words: "Recognizing the mutual

benefits that will accrue to the Republic of Nicaragua and to the United States from the completion of the road from San Benito to Rama in said Republic of Nicaragua, the construction of which road was begun and partially completed pursuant to an agreement between said Republic and the United States, there is hereby authorized to be appropriated \$2 million for the fiscal year ending June 30, 1954, for the construction of such road, to be available until expended."

(h) The first sentence of section 6;

(i) In section 8 the following words: "For the purpose of carrying out the provisions of section 10 of the Federal-Aid Highway Act of 1950 (64 Stat. 785), there is hereby authorized to be appropriated for the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations the sum of \$2,500,000 for the fiscal year ending June 30, 1955, to remain available until expended."

(j) Section 10 to the first proviso.

37. Act of May 6, 1954 (68 Stat., ch. 181, p. 70), except the following provisions:

- (a) The first two paragraphs of section 1;
- (b) The last five provisos of section 1;
- (c) The first sentence of subsection (a) of section 2;
- (d) The first sentence of section 3 to the word "Provided";
- (e) Section 4 to the word "Provided";
- (f) Section 5;
- (g) The first sentence of section 7;
- (h) Section 8 to the word "Provided";
- (i) Section 14;
- (j) Section 18; and
- (k) Section 22.

38. Title I of the act of June 29, 1956 (70 Stat. 374), except the following provisions:

- (a) Subsection (a) (1) (2) of section 102;
- (b) The first sentence of section 103 (a) to the word "Provided";
- (c) Section 104 (a), section 104 (b) and section 104 (c), to the word "Provided";
- (d) Section 105;
- (e) Subsections (b), (c), and (d) of section 107;
- (f) Section 108 (b) and (c);
- (g) Section 108 (k);
- (h) Section 114;
- (i) Section 117; and
- (j) The last proviso of section 118.

39. Sections 1 and 3 of the act approved August 3, 1956 (70 Stat. 990).

40. Act of April 16, 1958 (72 Stat. 89) except the following provisions:

- (a) Subsection (a) (1) (2) of section 1;
- (b) Section 2;
- (c) The first sentence of section 3 (a) to the word "Provided" and the third, fourth, and fifth provisos;
- (d) Subsection (b) of section 3;
- (e) Section 4 (a), section 4 (b), and section 4 (c) to the word "Provided";
- (f) Section 5;
- (g) Section 7;
- (h) Section 8; and
- (i) Section 9.

#### CONSTRUCTION

SEC. 3. (a) If any provision of title 23, as enacted by section 1 of this act or the application thereof to any person or circumstance is held invalid, the remainder of the title and the application of the provision to other persons or circumstances shall not be affected thereby.

(b) The provisions of this act shall be subject to Reorganization Plan No. 5 of 1950 (64 Stat. 1263).

#### SAVINGS CLAUSE

SEC. 4. Any rights or liabilities now existing under prior acts or portions thereof shall not be affected by the repeal of such prior acts or portions under section 2 of this act.



## REPORT AND RECOMMENDATIONS

SEC. 5. The Secretary of Commerce is hereby directed to submit to the Congress not later than February 1, 1959, a report on the progress made in attaining the objectives set forth in section 101 of title 23, as enacted by section 1 of this act, together with recommendations.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE of South Dakota. Mr. President, during the 83d Congress, when I had the honor to be chairman of the Subcommittee on Roads of the Public Works Committee, the need for a clear compilation of the laws relating to roads was repeatedly mentioned by many people—members of the American Association of State Highway Officials, officers of the American Road Builders, and others.

As a result, I suggested that the Secretary of Commerce be directed to prepare and transmit to the Congress a draft of legislation which would codify all existing highway acts. That proposal became section 12 of the 1954 Highway Act as follows:

SEC. 12. The Secretary of Commerce is authorized and directed to transmit to the Committees on Public Works of the Senate and of the House of Representatives not later than December 31, 1954, a suggested draft of a bill or bills for a Federal Highway Act, which will include such provisions of existing law, and such changed or new provisions as the Secretary deems advisable. The Secretary shall also submit a report commenting on the draft of bill or bills, which shall include specific reference to each change in, or omission of, any provision of existing law.

Pursuant to section 12 of the 1954 act, a draft bill was submitted to the committees and legislation was introduced in the 84th Congress. Due to the fact that proposed legislation on the Interstate Highway System was then being considered by the Congress, it was deemed advisable to defer final consideration of the codification bill until enactment of the 1956 act so that the codification bill could incorporate the new provisions of the 1956 act. Consideration of the codification bill was again deferred awaiting final action on the Federal-Aid Highway Act of 1958, to incorporate action on the apportionment based on new cost estimates.

The 1958 aid law has now been enacted, and it is in order that we should have this measure enacted—an up-to-the-minute codification of the highway statutes. It will serve a real need. Senate bill 3953 is a codification of the existing highway statutes, laws relating to highways and roads. Since 1916 the Congress has from time to time enacted pieces of legislation to supplement the basic Federal aid highway law.

The result has been that while we have had a growing body of laws, it has been necessary for anyone who

wanted to know what the law was to do a great deal of reference work and comparison of statutes with possible modifications in piecemeal legislation. With the enactment of the epochal Federal Aid Highway Acts of 1954 and 1956, it seemed desirable to codify all the highway laws.

The Committee on Public Works again requested counsel for the Department of Commerce assigned to the Bureau of Public Roads to prepare such a codification. It was submitted to the Committee on Public Works of the House of Representatives and the Committee on Public Works of the Senate, and embodied in two bills, namely, House bill 12776 and Senate bill 3953, which I had the honor and privilege to introduce.

This bill presents no substantive changes in the law. It incorporates the latest changes in substantive law, and is fully up to date in every respect, with the possible exception of what may happen when and if the Territory of Alaska accepts the law relating to statehood for Alaska. We considered in the committee the possibility of attempting to make some changes on that basis, but on the advice of counsel for the Department and after consideration by the committee we decided that it would be futile to attempt to do so until Alaska statehood became an actuality.

The Bureau of Public Roads and the Public Roads Administrator, as well as the Assistant Secretary of Commerce for Transportation, advised us that the law as presently written into statute and incorporated in the codification, would meet the situation so far as Alaska was concerned.

There are certain amendments which the committee proposes. They are largely of a technical nature, having to do with the numbers of paragraphs, corrections of certain typographical errors in the spelling of words, and a clarification, in one particular, with respect to the provision relating to grade crossing eliminations. I believe those amendments should be considered en bloc. If there is no objection on the part of the ranking member of the Committee on Public Works, I ask that the committee amendments be considered en bloc.

Mr. KERR. Mr. President, I join in that request.

The PRESIDING OFFICER. Without objection, the committee amendments will be considered en bloc.

The question is on agreeing to the committee amendments en bloc.

The amendments were agreed to.

Mr. CASE of South Dakota. Mr. President, my colleague from Nebraska [Mr. HRUSKA] would like to have his name added as a sponsor of this bill. I wonder if there is any objection to that.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CASE of South Dakota. I believe that this bill, if enacted into law, will be warmly welcomed by the State highway authorities and all persons who have to do with the operation of highways. I urge the unanimous approval of the bill.

Mr. KERR. Mr. President, the Committee on Public Works had before it for consideration two similar bills, namely,

Senate bill 3953 and House bill 12776, a bill to revise, codify, and enact into law, title 23, of the United States Code, entitled "Highways," which had passed the House of Representatives. The committee reported Senate bill 3953 with amendments.

Prior to the third reading of Senate bill 3953, I ask unanimous consent that the Committee on Public Works be discharged from the further consideration of House bill 12776; that the text of Senate bill 3953, as amended, be substituted for that of House bill 12776; that House bill 12776, as amended, be passed by the Senate; and that Senate bill 3953 be indefinitely postponed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none. Without objection, the Committee on Public Works is discharged from the further consideration of H. R. 12776, which will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 12776) to revise, codify, and enact into law title 23 of the United States Code, entitled "Highways."

The PRESIDING OFFICER. Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. Under the order entered on request of the Senator from Oklahoma [Mr. KERR], all after the enacting clause of the House bill is stricken and there is substituted in lieu thereof the text of S. 3953, as amended.

Mr. CASE of South Dakota. Mr. President, I believe I should state that the Senator from North Dakota [Mr. LANGER] intended to offer an amendment to H. R. 12776. However, it was substantive in character. I consulted with him and advised him that both the House and Senate bills were identical in that they did not provide for any change in substantive law; and that any amendments to change the substantive law would not be in harmony with either bill. With that explanation, he agreed that his amendment should not be considered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 12776) was read the third time and passed.

The PRESIDING OFFICER. Without objection, S. 3953 is indefinitely postponed.

## AMENDMENT OF THE ATOMIC ENERGY ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside

and that the Senate proceed to the consideration of Calendar No. 2005, S. 4164.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 4164), to amend the Atomic Energy Act of 1954, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

#### CONGRESS: ITS OWN DEFENDER

Mr. STENNIS. Mr. President, I hope that Congress will soon have an opportunity to debate thoroughly the various provisions of the Jenner bill (S. 2646). Although it covers four major legal areas, there is one section included which deals with the vitals of Congressional power and responsibility as they pertain to investigations. Without the power to investigate and get the facts, Congress does not have a chance to pass the necessary laws to protect our national security.

In the case of United States against Watkins, decided June 17, 1957, the Supreme Court established a dangerous precedent, which challenges this necessary investigative power of Congress.

John T. Watkins appeared as a witness under a subpoena of a subcommittee of the House Un-American Activities Committee in connection with its general investigation of Communist activities in the labor field in and around Chicago. The witness had been identified by prior witnesses as being a member of the Communist Party, and when he appeared before the subcommittee he denied these charges, but answered freely all questions pertaining to his own activity. He admitted his own earlier Communist sympathies and activity, but denied being a card-carrying member at any time. Asked by the committee to identify earlier associates connected with the Communist Party, he declined to do so, but offered to answer any questions concerning persons he knew to be members of the Communist Party, provided they were still members. In refusing to identify others previously engaged in Communist activities who had since removed themselves from the Communist movement, he said:

I do not believe that such questions are relevant to the work of this committee, nor do I believe the committee has a right to undertake the public exposure of persons because of their past activities.

The chairman of the committee subsequently submitted a report of petitioner's refusal to answer questions to the House of Representatives. The House directed the Speaker to certify the com-

mittee's report to the United States Attorney for initiation of criminal prosecution. A seven-count indictment was returned. Petitioner waived his right to jury trial and was found guilty on all counts by the trial court. The sentence, a fine of \$100 and 1 year in prison, was suspended, and petitioner placed on probation.

The Court of Appeals' three-judge panel reversed the conviction, but upon rehearing en banc, the full bench affirmed the conviction with the judges of the original majority in dissent. Certiorari was granted by the Supreme Court and the conviction was finally reversed by that Court.

The language used by the Supreme Court in its decision that the accused in this case was not in contempt of Congress goes beyond the results of this case. His refusal to answer certain questions propounded to him during the course of an investigation conducted by the House Committee on Un-American Activities was not on the grounds of freedom of speech nor any other reason properly attributed to the first amendment nor on the usual ground of self-incrimination, which is found in the fifth amendment to the Constitution.

His refusal was based on a challenge of this investigative committee's authority to question him about his earlier associations. The inquiry was undoubtedly authorized by law. Both the Legislative Reorganization Act and the House rules would permit a general inquiry into Communist activities in the labor field in and around Chicago by the House Committee on Un-American Activities. This was the subject of the inquiry, and the questions asked were relevant to this subject and germane to the issue.

Although the accused freely admitted Communist sympathies and leanings, he denied actual membership in the Communist Party, and there is nothing to show that his answers pertaining to his own activities were anything less than candid. But in challenging the committee's power to pursue the line of inquiry concerning his associations during the years in which he admitted participating in Communist activity he raised a very serious constitutional question of power of the Congress.

The Supreme Court upheld the contentions of the defendant Watkins in this case. No one can carefully read the language of this opinion without concluding that the investigative power of the Congress has been seriously impaired and has been left in a position of grave doubt. Unless affirmative action is taken by the legislative branch, we may expect judicial review of almost all activities undertaken by Congressional committees where testimony is not freely and voluntarily given.

I urge Senators to review this opinion carefully and dispassionately. This decision casts serious doubt on the ability of a duly constituted Congressional committee to carry out its functions effectively where opposition is encountered from any witness not willing to testify voluntarily. Shall this Congress stand by and see its power, as well as the power of all future Congresses, thus challenged and destroyed?

A Congressional committee, when duly and lawfully established, has its jurisdiction defined in general terms pertaining to subject matter rather than enumeration of the specific matters which come within its purview. Otherwise, it would be necessary for the House or Senate as a whole specifically to authorize each investigation in advance. Specific authorization has no place in the committee system when matters within the jurisdiction of standing committees is involved. That is a serious distinction.

Having full and sole responsibility for legislating, we cannot surrender our prerogatives and obligations to develop all facts on which general legislation must be predicated. We cannot transfer nor subordinate this responsibility to the judicial branch of the Government nor to any other body in our Government. We have no moral nor legal right to surrender this power; on the other hand, we are under a positive duty to protect and retain all those powers.

For emphasis, I repeat: It is the primary duty of a committee to develop a full, complete, and objective picture of the facts necessitating Federal legislation, and in order that this picture may be complete, it is imperative that the power be available to Congress to develop information from reluctant witnesses as well as other sources.

To combat the factual vacuum created by witnesses who pleaded the fifth amendment in Congressional investigations, Congress in 1954 enacted legislation to assure immunity from subsequent prosecution on any facts of matters testified to before a Congressional committee. This great concession has been made and numerous safeguards have been built into the act as a protection against arbitrary abuse of the power to compel adverse testimony. As a parallel, it may be pointed out that there is no similar protection afforded a witness in a civil case where his property rights are at stake, as it is only in the criminal field that the fifth amendment has ever been held to be a protection to the witness.

Undoubtedly, the Watkins case's language presents a most serious threat to the power of the Congress. An unfortunate and dangerous precedent has been set in this case for the inevitable stream of similar cases to follow. In time, this principle could develop into a strait-jacket for Congressional committees.

The pending bill, in section 2 thereof, meets this problem in the following language:

Section 102 of the Revised Statutes, approved June 22, 1938 (52 Stat. 942; 2 U. S. C. 192), is amended by changing the period at the end thereof to a colon and adding the following proviso: "Provided, That for the purposes of this section any question shall be deemed pertinent unless timely objection is made thereto on the ground that such question lacks pertinency, or when such objection is made, if such question is ruled pertinent by the body conducting the hearings; and on any question of pertinency, the ruling of the presiding officer shall stand as the ruling of the body unless reversed by the body on appeal."

This assault on the Congressional committees, coming from the judicial branch



of the Government, must not go unchallenged. Congress still has the power to resort to those procedures—long since abandoned—of proceeding directly against the individual on contempt charges by either House. We would then no longer entrust the executive and judicial branches of the Government with handling such cases. I sincerely hope this procedure never becomes necessary.

Serious inroads have been made in the powers of Congress in the past few years. This branch of Government, closest to the people and to the States represented in its halls, is unfortunately being subordinated to the Executive order that goes far beyond the letter and spirit of the statutes as well as the incomprehensible judicial opinion which has come to characterize the Supreme Court of the United States.

The people have no direct method of appeal from either evil.

The Watkins case marks a new area of attack. The investigative function of the Congress hangs in the balance, and we cannot say, at some later date, that we were not forewarned if it becomes lost forever.

Shall the Congress stand idle while its powers are whittled away? I think not? We should pass this legislation now.

#### AMENDMENT OF ATOMIC ENERGY ACT OF 1954

Mr. ANDERSON. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1915, Senate bill 4164.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 4164) to amend the Atomic Energy Act of 1954, as amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico?

There being no objection, the Senate proceeded to consider the bill.

Mr. ANDERSON. Mr. President, S. 4164 is a bill to amend the Atomic Energy Act of 1954, as amended, to add a new subsection k to section 170 with respect to the indemnity of nonprofit educational institutions.

The Joint Committee on Atomic Energy held public hearings on this subject on May 8, July 9, and July 17, 1958. There is clearly a problem with respect to some State universities which needs solution during this session of the Congress. A bill identical with S. 4164, H. R. 13455, which was introduced by Representative PRICE, and supported by Representative PRICE and Representative VAN ZANDT, passed the House of Representatives on July 29, 1958.

I have several amendments which will limit the scope of the bill to institutions which are unable to provide financial protection without the amendment of their State constitution or statutes. With my amendments the bill would authorize only a temporary exemption for such institutions. A three-year exemp-

tion—until August 30, 1961—would be provided for institutions which are unable to provide financial protection without the amendment of State statute. A six-year exemption—until August 30, 1964—would be authorized for institutions unable to provide financial protection without the amendment of the State constitutions. This would provide appropriate periods for the States concerned to take the necessary action in amending their own State constitutions or enacting appropriate State legislation to solve this problem.

The bill also provides that nothing in these amendments shall preclude the Commission from equitably adjusting the level of financial protection required for any other nonprofit educational institution in accordance with the criteria already established by subsection b. of section 170. At the present time, the Commission has established the level of financial protection required for such institutions as \$250,000, and this would seem to be a sufficient level. This bill should not be interpreted to require the Commission to increase the level of financial protection required for other nonprofit educational institutions, not provided an exemption under this bill, such as privately owned nonprofit educational institutions.

Mr. President, I submit a series of amendments which I ask unanimous consent to have printed at this point in the RECORD. They have been checked with members of the joint committee, and their purpose will be explained shortly.

The PRESIDING OFFICER. Without objection, the amendments will be printed in the RECORD.

The amendments proposed by Mr. ANDERSON are as follows:

On page 1, line 9, after the word "shall", insert the word "temporarily."

On page 1, line 11, strike out the period and insert "if the Commission finds that such institution is unable to provide financial protection without amendment of State constitution or appropriate State legislation. Such exemption shall expire not later than August 30, 1961, for institutions unable to provide financial protection without appropriate State legislation, and not later than August 30, 1964, for institutions unable to provide financial protection without amendment of State constitution."

On page 1, line 11, and on page 2, line 1, strike out the words "issued between August 30, 1954, and August 1, 1967."

On page 3, line 4, after the period, insert the following: "Nothing in this subsection k. shall be deemed to preclude the Commission from equitably adjusting the level of financial protection required for any other nonprofit educational institution in accordance with the criteria established by subsection b."

Mr. ANDERSON. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

Mr. JAVITS. Mr. President, reserving the right to object, and I shall not object, because I know the Senator is in a hurry to go downstairs—I shall not detain him; I shall take but 30 seconds—I should like to ask him a question.

I made a speech about Euratom, which is a subject of discussion in all the newspapers. It is an urgent matter. It is my understanding that the com-

mittee is making every effort to deal with the problem of Euratom, so that a beginning may be made at this session.

Mr. ANDERSON. Yes. The representatives of the Department of State and the Atomic Energy Commission are now in the office of the Joint Committee. The Senator from Iowa [Mr. HICKENLOOPER] and I are desirous of returning there as soon as we can, but we felt that this matter ought to be handled today.

Mr. JAVITS. I understand the Joint Committee really wants to do something about Euratom now.

Mr. ANDERSON. Yes; I assure the Senator from New York that his understanding is correct.

Mr. JAVITS. I thank the Senator from New Mexico.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

The question is on agreeing, en bloc, to the amendments offered by the Senator from New Mexico [Mr. ANDERSON]. The amendments were agreed to.

Mr. ANDERSON. Mr. President, the able Senator from Iowa had some question about the bill when it was reached on the call of the Calendar the other day. I have come to the conclusion that his fears were well founded. We would probably have gotten ourselves into a situation which could have caused us some trouble because of differences among the States and their constitutions and laws.

The passage of the Senate bill, carrying these amendments, is not for the purpose of submitting the bill directly to the House, for House concurrence. I shall, when action has been completed on the bill, ask for a conference with the House, in order that the Members of the Joint Committee may consider the problem together, with a view to ascertaining whether these amendments will solve the problem, or if other language is necessary.

The passage of the bill with these amendments would not bind or attempt to bind the Senate to this particular language, since it might be discovered, when the committee met in conference, that other language would be better. I have made this statement because the attitude of the distinguished Senator from Iowa [Mr. HICKENLOOPER], on this subject has been, I think, eminently correct. We are trying to meet his objections by these amendments, in order that the educational institutions may have a chance to get insurance, although we do not want to put the Government into the insurance business beginning with the first dollar of indemnity.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. I thank the Senator from New Mexico for his cooperation in this matter. I objected to the bill without these amendments. I voted in committee against reporting the bill on the theory, as I read the bill, that it would put the Government of the United States into the small-claims business or insurance business, clear down at the bottom, beginning with the first claim which might be made against the

institutions. I have serious objection to that on principle.

I am also aware of the fact that problems exist with some of the universities because they are State institutions. Some States, by their constitutions, prohibit the universities from spending money for insurance coverage; other States have such prohibitions by law.

I have been perfectly willing to go along with the Government in carrying an overriding policy, as is done in other cases of large reactors in the program, over and above a certain amount of original assumption of liability by the institution.

Unfortunately, there are institutions in the United States today which simply cannot be licensed to go forward with research in their engineering and scientific schools because they cannot meet the prerequisite or the requirement, at present in the law, that they must have insurance to cover a specific amount of liability. They are prohibited by State law or constitution from making such provision.

I do not in any way wish to bar these very excellent, outstanding institutions from participating in the research program. I do not want to deny the atomic energy program of the benefits of their research. Therefore, while I have some objections to certain provisions in these amendments, I shall not raise the objections now. I think the amendments go a long way toward solving the problem which is involved. I think there is perfect agreement that we can now, with these amendments, take the bill to conference.

I think the feeling of the members of the Joint Committee is such that we can prepare suitable language. We may have to compromise a little here or there, but we can work out language which will be reasonable and will properly solve the problem, but still permit the institutions to go forward and make arrangements for meeting equitably the proposition of insuring the public against possible danger from nuclear incidents which might happen, even though the likelihood of such incidents is very, very remote.

I thank the Senator from New Mexico for his cooperation.

Mr. ANDERSON. Mr. President, I thank the Senator from Iowa for his statement, and I thoroughly subscribe to what he said about making it possible for us to go to conference and try to work out a better bill.

Mr. President, there is at the desk House bill 13455, which is on the same subject. I move that the Senate proceed to the consideration of House bill 13455.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 13455), to amend the Atomic Energy Act of 1954, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 13455) to amend the Atomic Energy Act of 1954, as amended.

Mr. ANDERSON. Mr. President, I move that all after the enacting clause

of the House bill be stricken out, and that the text of Senate bill 4164, as amended, be substituted therefor.

The motion was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 13455) was read the third time, and passed.

Mr. ANDERSON. Mr. President, I move that the Senate insist upon its amendment, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ANDERSON, Mr. PASTORE, Mr. JACKSON, Mr. HICKENLOOPER, and Mr. BRICKER the conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, Senate bill 4164 is indefinitely postponed.

#### AMENDMENT OF ATOMIC ENERGY ACT OF 1954

Mr. ANDERSON. Mr. President, I move that the Senate resume the consideration of Calendar No. 2005, Senate bill 4166, to amend the Atomic Energy Act of 1954, as amended.

The motion was agreed to; and the Senate resumed the consideration of the bill.

Mr. ANDERSON. Mr. President, this is an omnibus bill which the committee has carefully considered. There is no objection at all to the bill. It grants to the Joint Committee the right to waive the normal 30-day waiting period for proposed international agreements for cooperation. That might be of some importance if we were to take action on the Euratom proposal, for example.

Mr. HICKENLOOPER. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. I may say for the RECORD that the Senator from New Mexico has correctly stated the situation. I know of no objection to the bill. It was unanimously approved by the committee, after careful consideration. To waive the 30-day waiting period is not unusual, that is a standard procedure of which we are well aware, and I think we could perfectly well operate under it.

So far as I know, there is no objection to the passage of the bill.

Mr. ANDERSON. Mr. President, no amendments have been submitted to the bill, I believe.

There is at the desk Calendar No. 2087, House bill 13482, which is identical to Senate bill 4166. The House bill has already been passed by the House of Representatives. Therefore, I now ask unanimous consent that the Senate proceed to the consideration of House bill 13482.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. Calendar No. 2087, House bill 13482, to amend the Atomic Energy Act of 1954, as amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico?

There being no objection, the Senate proceeded to consider the bill (H. R. 13482) to amend the Atomic Energy Act of 1954, as amended.

Mr. ANDERSON. Mr. President, I ask unanimous consent that a statement which I have prepared on the bill be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR ANDERSON

House bill 13482 amends various sections of the Atomic Energy Act of 1954, as amended, to keep that act up to date and to provide the best possible framework for the administration of our growing atomic energy program. The bill amends various sections of the act, and some of these amendments are minor or technical in nature, and I shall make only a brief statement concerning the bill.

Sections 1 and 2 amend section 53 of the act to authorize the Commission to issue licenses for the possession of special nuclear material within the United States for uses which do not fall within the present provisions of subsection 53a, and to make a reasonable charge for such materials. Under the act, all special nuclear material is owned by the United States and licenses can be issued for only certain specified purposes. This provision authorizes the Commission to distribute such materials under licenses for incipient new industrial uses, and to make a charge for the use of such materials. In issuing such licenses the Commission would be expected to follow the other standards in the act to protect the public health and safety.

Section 3 of the bill amends section 68 of the act to provide a general release of reservations of fissionable materials under acquired lands of the United States as well as public lands. This bill would obviate the necessity for various individual bills such as two bills presently pending on the Senate Calendar—H. R. 11933 and H. R. 12938—and would provide for a general release of such reservations, and treat acquired lands in the same manner as public lands.

Section 4 of the bill amends section 123c of the act to provide that the Joint Committee may waive the normal 30-day waiting period for proposed international agreements for cooperation. This amendment, providing waiver authority in the Joint Committee, applies only to such agreements for the peaceful uses of atomic energy under subsection 123c, and not to the military uses of atomic energy under subsection 123d which still must be submitted to the Congress and the Joint Committee for the full 60-day period, and no waiver authority is provided as to such agreements.

Section 5 of the bill amends section 145 of the act to authorize the Commission to grant security clearances prior to completion of investigation in the event of a state of war declared by Congress or national disaster due to enemy attack. The committee report at page 6 indicates that such authority is to be construed strictly by the Commission and limited to such periods of emergency.

Section 6 of the bill amends section 161d of the act to authorize the Commission to adopt compensation rates on a retroactive basis as may be authorized by the Classification Act for other Government employees. This provision is necessary because the Classification Act does not cover AEC employees, and in some past instances, AEC employees have not received increases in pay on the same dates as other Federal Government employees.



Section 7 of the bill amends section 161 of the act, which is the General Authority section, to add new subsection t, u, and v. New subsection t authorizes the Commission to establish a succession of authority within the Commission in the event of a national disaster due to enemy activities.

New subsection u authorizes the Commission to enter into contracts for reprocessing materials under international agreements for cooperation.

New subsection v authorizes the Commission to enter into long-term contracts in certain limited areas. The necessity for this new subsection grew out of a decision of the Comptroller General to the effect that, in the absence of specific statutory authority, the Commission's annual appropriations for operating expenses might be used only for payment of expenses, services, and equipment incurred during the current fiscal year. This new subsection would provide statutory authority for the Commission to enter into long-term contracts when it was in the best interest of the Government to do so, but subject to certain determinations which the Commission must make, and in accordance with certain principles added to the bill by the Joint Committee.

Section 8 of the bill amends section 166 of the act to authorize the Commission to dispose of contractor and subcontractor records in accordance with a records disposal schedule agreed upon by the Commission and the Government Accounting Office. This amendment does not authorize the Commission to dispose of any records required by any other provision of law, such as Internal Revenue Code, and only in accordance with a schedule agreed upon by both the Commission and the GAO.

In summary, this bill would amend various sections of the Atomic Energy Act, as requested by the Commission, and modified in certain respects by the Joint Committee on Atomic Energy, in order to permit the Commission to carry out most effectively and efficiently its important responsibilities under the Atomic Energy Act of 1954.

**THE PRESIDING OFFICER.** If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 13482) was ordered to the third reading, read the third time, and passed.

**THE PRESIDING OFFICER.** Without objection, Senate bill 4166 is indefinitely postponed.

**MR. ANDERSON.** Mr. President, I suggest the absence of a quorum.

**THE PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

**MR. MANSFIELD.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

**THE PRESIDING OFFICER (MR. HOBLITZEL in the chair).** Without objection, it is so ordered.

#### EXTENSION OF BONDING PERIOD OF BOURBON WHISKY

**MR. MORTON.** Mr. President, the bourbon whisky distilling industry is one of the most important to the welfare of the people of Kentucky. It gives substantial employment and, more important, it provides a major source of revenue for the State of Kentucky, including its public school system. As a Senator from Kentucky, I am vitally interested in seeing that the distilling industry continues as a healthy, compet-

itive, tax-paying industry. For that reason, I have made a careful study of this very controversial question of the extension of the bonding period.

At the outset, let me say that my sole interest is the welfare of my State and the industry in general. I am not taking sides with either group in this controversial matter. It is unfortunate that two of the giants of the industry, namely, Seagram and Schenley, should have engaged in this bitter fight. Both have substantial interests in Kentucky; the interests of both in my State are managed by prominent citizens who are men of high integrity and who occupy positions of leadership in the civic affairs of their respective communities.

In Kentucky there are also located the major so-called independents. In this group we find Brown-Forman, Glenmore, Stitzel-Weller, and others. Among this group there is a degree of unanimity, but some have much stronger feelings on the subject than others. Most of the small distillers of the country are located in Kentucky. This group is divided between the position taken by the Distilled Spirits Institute and the position taken by Schenley.

I may say the position taken by Distilled Spirits Institute was substantially the same as that taken by Seagram.

Everyone is in agreement that some relief must be granted and that the present law requiring that whisky be tax-paid by the end of 8 years must be amended. There is today price demoralization in the industry. It will get substantially worse, and a lot of people, especially some of the smaller people, will go broke unless relief is forthcoming. I therefore, strongly urge that some steps be taken to amend the present law in the matter of tax-paying whisky now in bond.

The bill, H. R. 7125, has been reported by the Finance Committee and will probably be motioned up shortly. It contains a provision to extend the bonding period for distilled spirits from 8 to 20 years. Under present law, which has been in effect since 1896, the excise tax of \$10.50 per proof gallon has to be paid at the end of 8 years. Under the proposal, the tax is payable when the whisky is actually withdrawn from the bonded warehouse or, if not withdrawn, at the end of 20 years. To all intents and purposes, this is in perpetuity. Whisky deteriorates after 20 years to such an extent that no one would want to keep it in wood in bond for a longer period of time.

Relief of this nature is necessary because certain distilleries, including Schenley, 1 of the 4 giants of the industry, find themselves with excessive stocks of 7- and 8-year-old whiskies for which there is no present market. This condition is in part caused by the fact that Schenley and some others heavily overproduced at the time of the Korean war in anticipation of a forced shut-down similar to that of World War II. The shut-down was not ordered, and these excessive stocks now approach the date for tax payment. Unless relief is granted, the entire industry will suffer from further price demoralization and many small distilleries will go broke.

Even those distilleries which have kept their stocks in balance would suffer, because price demoralization would affect the entire industry.

All segments of the industry agree that relief is not only necessary, but desirable. Unfortunately, the effect of the bill as passed by the House, and reported by the Finance Committee, gives a tremendous commercial and competitive advantage to Schenley, and the others whom it seeks to relieve, over those in the industry who exercised conservative business judgment, refused to panic at the time of the Korean war, and kept their stocks in balance. Under the terms of the bill, Schenley can immediately start a battle of ages. Next year Schenley can advertise and promote 9-year-old whisky. Four years from now they can vigorously promote 12-year-old whisky. Those distilleries which do not have excessive stocks of old whiskies will, of necessity, be 3 to 5 years behind Schenley in even participating in this battle. In the public mind quality in whisky is associated with age. Most bourbon whisky is fully matured in 5 or 6 years, but the consuming public does not realize that fact.

I might say, Mr. President, this question of the "maturation period," as the distillers say, is the time required for whisky to reach maturity and involves many factors. There is a difference in the maturing time as between bourbons, with a heavier corn content, and rye whiskies. Climate is a factor. Cooperage is a factor. Method of warehousing is a factor. There are many factors involved. Some whiskies reach maturity in 5 years. Some, especially the ryes, do not reach maturity for 8 or perhaps more years. Nevertheless, the public associates age with quality, and it is going to take a lot of education—costly education and elaborate advertising—to disperse this concept from the public's mind. It is easy to see what an advantage the proposal would be commercially to those who now have the older whisky in their possession. They are the ones who need the relief. I am sure Congress wants to give them relief. At the same time, Congress does not want to extend to them a windfall.

Testimony before the Finance Committee indicated that this commercial advantage was fictitious, and not real. The witness for Schenley denied that his company would get a windfall because of this change in the rules in the middle of the game. Subsequent developments prove that this legislation does give a windfall to Schenley, a few other distilleries, and certain speculators in bulk whisky. The Finance Committee ordered the bill reported on Friday, July 25. On that day Schenley stock was the second most active of the New York Stock Exchange, and it went up 10 percent in value.

Mr. President, I think the committee adjourned about 10 minutes of 1, having taken this action. I think the stock exchange closes at 3 o'clock. In those 2 hours and 10 minutes, Schenley stock sold in the amount of about 103,000 shares. It was the second most active stock, and it increased 10 percent in value.

On Friday, August 1, the bill was actually reported—on the previous Friday it had been ordered reported—and Schenley stock took another spectacular leap and was the most active stock on the board. On Monday, August 4, yesterday, it was again the most active stock on the board, and closed at \$30.50 per share. Earlier this year the stock sold at \$18. This spectacular rise of 67 percent can be attributed only to the fact that the investor and speculator believe this bill gives a windfall to Schenley. I do not believe the American investor and the American speculator can be so far off.

I have taken the names of the stocks of some of the distillery companies and compared yesterday's prices with prices 2 weeks ago. It was just 2 weeks ago that the Senate started hearings on the House-passed bill. Stock prices of Monday 2 weeks ago reflect the action taken by the House, but the effect became more glaring in the week beginning July 22, as the Senate Finance Committee was sustaining the House action in this matter.

Schenley stock on July 22 closed at 23%. Yesterday it closed at 30½, a jump of 20 percent in that time.

Seagram stock closed on Monday, July 22, at 29%. On August 4 it closed at 31%. That is not such a substantial jump. The bill does not mean as much to Seagram. Incidentally, Seagram has plenty of whisky, but it is a blend house rather than a straight house.

Hiram Walker stock closed on July 22 at 29%. On August 4 it closed at 30%. They have very little of the older whisky stocks.

Brown-Forman stock went from 19 on July 22 to 19¾ on August 4. They do not have any surplus of 5-, 6-, or 7-year-old whisky stock.

Glenmore stock went from 11¼ on July 22 to 13½ on August 4. They, too, have very little surplus older whisky.

The stock of Publicker went from 9 on July 22 to 10½ on August 4. They have a substantial quantity of older whisky.

The stock of National went from 23% on July 22 to 25¼ on August 4.

The stock of American went from 32¼ on July 22 to 35¼ on August 4. A short time ago American made a round lot purchase of 8-year-old whisky at 50 cents a gallon. I am also informed the company did not favor this proposal prior to that time, but when it got its hands on some of the 8-year-old whisky and saw the possibilities of the windfall, it changed its position.

The point is that if we consider the percentage increment in the stock in the 2-weeks' period for each distiller I have listed—and I have listed all of those I could find carried on a major stock exchange—it shows just about the same proportion as the amount of the old whisky held up against the tax deadline, as to which it is proposed we pass a relief measure.

We are considering retroactive legislation, and that is what will create the windfall. I remember that back in the mid-1930's, after the NRA was declared unconstitutional, it could be easily foreseen the AAA was going to be declared unconstitutional. Included in the AAA

was what was known as a processing tax. The processor of certain agricultural products paid a tax which was added to the price of the finished product. That was used for the relief of the farmer, or to support the prices of farm products.

As soon as the NRA was declared unconstitutional, the processors went to the Federal courts and got permission to pay the tax into an escrow fund. Eight months later, when the AAA was declared unconstitutional, the moneys which had been deposited in the escrow fund were returned to the processors. Those were very substantial amounts. In the case of wheat, the processing tax was about 28 cents a bushel, and the price of wheat in those days was about 85 cents a bushel. The resultant proportion of the selling price was very consequential.

Actually, the amount of the processing tax was far greater than the total cost of processing, as well as the manufacturer's or processor's markup.

When those funds were returned to the processors or manufacturers, the Congress did the only thing it could do, which was to pass a tax bill providing what is known commonly as a windfall tax. It was technically called an unjust enrichment tax. The windfall to those processors was the result of a court decision. Now it is proposed to grant a windfall by legislative action. I do not think that is the intent of the Members of this body.

Mr. President, I am proposing a simple amendment which will grant the necessary relief to those with excessive stocks of 7- and 8-year-old whiskies and at the same time eliminate a windfall to Schenley or any other person for whom the relief is necessary. My amendment would in no way change the bill insofar as the bonding period or the payment of taxes is concerned. It merely states that whiskies produced prior to December 31, 1953, cannot claim age beyond 8 years. The effect of this amendment is to postpone the "battle of ages" until 1962. This would largely negate the windfall which would come to Schenley in the form of a competitive advantage under the terms of the bill as reported. The excessive whisky produced during the Korean war could be withdrawn from bond, taxpaid, and sold at 9 or 10 years or any age up to 20 years. However, for labeling and advertising purposes it could only bear a general statement that the distilled spirits are more than 8 years of age.

There is a precedent for this action in present law as well as in present regulations. The troublesome whisky, the whisky which has caused the difficult situation in the industry, is that which was produced during the period of the Korean war, when we had a great overproduction in anticipation of a shutdown which never came.

I say we should give tax relief to that whisky, but we should not give a competitive advantage. Let us permit the withdrawal of the whisky at any time the companies want, with payment of the tax at the time of withdrawal of the whisky actually in the barrel, but as to such whisky let us not permit labeling, stamping, advertising, or claiming for

it any age beyond 8 years. Let the companies claim on the package or on the stamp that the whisky in the bottle is at least 8 years old, but let us not permit them to go beyond that, to give a competitive advantage to one small group whom we are seeking to give relief. We all want to provide relief, but we do not feel relief should be provided at the expense of competitors, and an advantage given at the expense of competitors who have tried to operate in a conservative manner.

The Treasury Department realizes this situation. I shall read from page 5 of the Senate hearings on the bill, from a communication addressed to the Senator from Virginia [Mr. BYRD], the chairman of the committee, by the Office of the Secretary of the Treasury:

The Treasury Department is not directly concerned as to whether the bonding period is extended or not. Extending the bonding period would have little effect on revenues, as there already exist methods of avoiding payment of tax at the end of the 8-year period, such as through redistillation. However, the proposed change can have competitive effects between different segments of the industry which your committee may wish to consider.

The proposed extension of the bonding period would enable spirits to be sold after a longer aging period than is economically possible under present law. Thus producers who have large stocks of spirits nearing the 8-year limitation at the present time would be at an advantage in selling products aged longer than 8 years after the law was changed as proposed. In view of the fact that the 8-year limitation has been in effect for so many years and the industry has operated on the assumption that such limitation would continue in effect, some consideration might be given as to whether it would be fairer to all concerned to make the extension to 20 years effective only with respect to stocks entered into bond after the effective date of the bill.

In other words, the Treasury Department suggests that Congress consider striking out all retroactive features and making the extension of the bonding period apply only to whiskies which are distilled after the enactment of the bill into law. In my proposed amendment I have not gone that far. The amendment applies the provision to any whisky produced after December 31, 1953. Actually, under my suggestion the 9- and 10-year-old whiskies could be reached 5 years sooner than would be possible under the suggestion of the Treasury Department.

In studying this problem, Mr. President, I think we have to bear in mind one of the unique characteristics of the whisky business. In estimating what he will produce, a distiller must take into account what his sales will be not the next year but what they will be 5, 6, or 7 years hence. He has to exercise very careful judgment. Distillers have been operating for 60 years under a rule whereby whisky could remain in bond before its tax was paid for 8 years. Therefore, the whisky in stock is 1, 2, 3, 4, 5, 6, 7, or 8 years old.

The money has been invested. The distiller owes the banker the money. It is now proposed to change the rules in the middle of the game. We propose to change the rules really with a man on third base.



All my amendment seeks to do is to permit the giving of relief. Change the rules we have to, because of a situation which has developed but we should not change the rules in such a way as to afford a positive advantage to that segment of the industry which through its own faulty judgment or its own gambling on the future has brought about the situation for which the relief is necessary.

A very interesting article was published in the August 2d issue of *Business Week* magazine, under the headline "Schenley Recoups Its Bad Bet" and I ask unanimous consent, Mr. President, to have the article printed in the *RECORD* at this point in my remarks.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

**SCHENLEY RECOUPS ITS BAD BET—SENATE'S FINANCE COMMITTEE APPROVES THE WHISKY AMENDMENT EXTENDING BY 12 EXTRA YEARS EXCISE TAX DEADLINE ON WHISKY STOCKS BUILT UP DURING KOREAN WAR**

With a 9-to-2 "aye" vote the Senate Finance Committee last week tacked the whisky amendment to the Government's excise-tax laws and settled—apparently once and for all—a furious feud that has split the domestic whisky distilling industry for more than 5 years.

The New York Stock Exchange's reaction was pointed: Schenley Industries, Inc. stock bounded up 4½ points while stocks of other distillers gained no more than half that.

#### LONGER DEADLINE

The change that the committee approved permits a United States distiller of bonded whisky to let his stocks age in the warehouse for up to 20 years before paying the \$10.50-a-gallon excise tax on them. At present, the law says distillers must pay the tax on whisky in bond after 8 years—regardless of whether they sell the whisky or even take it out of the warehouse. As well as extending the deadline, the Senate committee recommended making the change retroactive.

The House last year approved this amendment and it's expected the Senate will agree quickly to it. But the Finance Committee wasn't enthusiastic about having to decide the issue. Said Senator ROBERT F. KERR, Democrat, of Oklahoma—himself a teetotaler—"You can't fit a halo around anyone's head in this case."

#### SPECTER FOR SCHENLEY

Halo, or no, the committee's approval is a long-sought victory for Schenley. It has a heavy stake in domestic production of bonded whisky (that is, bourbon or rye that's aged for at least 4 years in a Government-inspected warehouse).

Its interest in extending the 8-year tax deadline is even greater. When the Korean war started, it stepped up production sharply in anticipation—falsely, as it turned out—that Government materials allocation controls would be set up. Other domestic whisky distillers did the same but Schenley, because of its size and its interest in the bonded whisky market, built up heavier stocks than most others.

Thus this year it had a large—though undisclosed—share of the total 33 million gallons of bonded whisky pressing up against the tax deadline, and an equally large stake in the 93 million gallons due to reach the deadline next year.

Without a change in the law, distillers would have to meet a tax bill of \$1.4 billion on this whisky in this and the next fiscal year.

#### GAMBLING

It was a dramatic switch that put Schenley in the position of having to pay a sizable

part of this bill. Its President Lewis S. Rosenstiel had made a similar bet on wartime controls a decade earlier and had won.

In 1938 when whisky sales were near their lowest, he built up heavy stocks, acquired new distilleries. His bet paid off: Schenley's sales and net income increased sevenfold from 1940 to 1946 while its competitors' gained between 3 and 4 times.

His bet in 1950 and 1951 on a similar gamble fell through. So did his competitors'—but their stocks were not heavily in bonded whisky, the type affected by the excise tax deadline.

#### DISTILLERS' BATTLE

Two of the other big four domestic distillers—Joseph E. Seagram & Sons, Inc., and Hiram Walker & Sons, Inc.—have fought the whisky amendment as vigorously as Schenley has pushed it. National Distillers & Chemical Corp. backed Seagram and Walker.

Seagram specializes in blended whiskies, cares less about the bonded type. Walker is a major distiller of Canadian whiskies sold in the United States. For 5 years they have argued before both Houses of Congress, and before the Tariff Commission that the amendment is a "private bill for the relief of Schenley," giving it an unfair advantage: It could leave its huge stocks of bonded whiskies in the warehouses and market them later as 10-, or 15-, or 20-year-old whiskies—products that its competitors couldn't match.

Schenley's counterattack charged that Seagram and Walker, as wholly owned subsidiaries of Canadian companies, have an advantage because they have a wider choice of alternative markets. When their stocks of whisky in bond in the United States are high, they can avoid getting caught by excise tax deadlines by shipping the whisky in bulk to Canada, bottling it in their plants there, and selling it as blended or straight whisky in Canada or the United States. Schenley complained it couldn't do this because until recently its Canadian subsidiary and its markets there have been far smaller than its competitors'.

The Treasury stayed out of the tax argument until a year ago. Then it urged that Congress adopt a compromise that would have extended the bonding period to 20 years, but not made the change retroactive.

Instead, the Senate Finance Committee backed Schenley.

Mr. MORTON. Mr. President, during the hearings in connection with this proposal there was much discussion as to the importation of distilled spirits from Canada and the United Kingdom. Questions were asked as to what the regulations were there in connection with bonding limitations. There are none. There is no bonding limitation in Canada or the United Kingdom, where most Scotch whisky is produced.

The point was then raised, Why should not the United States industry enjoy the same latitude as the Canadian or British industry. My amendment permits that, after 5 years. We can get into the "battle of the ages" if that is what is required.

The significant thing brought out in the hearings is that, of the distilled spirits imported into this country, which amount to about 10 percent of our total consumption, only 1 percent of the 10 percent is more than 8 years old. It really does not amount to anything. The two largest selling Canadian brands in this country, Canadian Club and VO, are, I think, 5½, 6, or 6½ year old whiskies. So I believe the proponents of the legislation as it passed the House,

and as it was reported from the Senate committee, in using the argument based upon the import feature, are merely kicking up dust. Ordinarily it is not a factor, but it can be a serious factor when we start selling "age" in connection with bourbon whisky, because that represents 80 percent of the consumption in this country.

Mr. President, at this point I submit an amendment and ask that it lie on the table and be printed, and also be printed in the *RECORD*.

The PRESIDING OFFICER. The amendment will be received, and will lie on the table and be printed; and, without objection, the amendment will be printed in the *RECORD*, as requested.

The amendment submitted by Mr. MORTON is as follows:

On page 128, after line 13, insert the following:

"(b) Notwithstanding any other provision of law, no advertisement of, or label or stamp affixed or applied to, any distilled spirits originally entered into storage in bond in internal revenue bonded warehouses on or before December 31, 1953, and removed therefrom upon payment or determination of tax after the expiration of 8 years from the date of original entry, shall bear any statement which represents or implies a precise age or period of storage in excess of 8 years, except that in the labeling and advertising of such spirits, age or period of storage in excess of 8 years may be indicated by a general statement that the distilled spirits are more than 8 years of age."

Renumber subsections (b), (c), (d), and (e) of section 5006 as subsections (c), (d), (e) and (f).

Mr. MORTON. Mr. President, there has been much speculation in the trade papers and in the press, and much comment, about the so-called 9-to-2 vote—then it was 10-to-3, and then 11-to-4—in the Finance Committee on this question. The implication has been drawn that the Senate Finance Committee rejected a proposal somewhat similar to my amendment, submitted in a memorandum to the members of that committee, before that vote.

That is not the case. The Senate Finance Committee did not act on this proposal. The Senate Finance Committee acted on a proposal to strike the House provision; and when that failed, it inserted certain technical changes in language. I am sure that members of the Senate Finance Committee did not realize the nature of this windfall. They were assured at the hearing that there would be no such windfall, that it would be fictitious; but I have demonstrated that the value of the Schenley stock has gone up from a low of 18 to 30½. In the 2 weeks since the hearing was commenced, it has gone up 30 percent.

One stockholder of that company owns almost 559,000 shares. This is quite an increment in 2 weeks, when we consider that 559,000 shares have gone up \$12.50 a share.

Conditions in the industry do not justify any such increase; and conditions in the operation of the Schenley Company do not justify such an increase. It is all in anticipation of profits expected to be earned by virtue of the action taken by the House, and so far by the Senate Finance Committee.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. WILLIAMS. This measure was not reported unanimously from the Committee on Finance. The points which the Senator has raised were also called to our attention in the committee. Three members of the committee agreed with the Senator's contention that there would be a windfall, and voted against reporting the bill.

Mr. MORTON. I thank the Senator. The proposal which I made in memorandum form to the members of the committee was not considered by the committee, was it?

Mr. WILLIAMS. Oh, yes.

Mr. MORTON. It was considered, but it did not come to a vote.

Now that this windfall has been demonstrated by the behavior of the stock market, I hope that members of the committee will take a look at the modified proposal I am now offering, in the nature of an amendment, in the light of events which have developed since the hearing before the Senate Finance Committee.

Mr. WILLIAMS. The Senator's proposal was considered in the committee, but there were not enough votes to adopt it. I fully agree with the Senator that this is a tax reduction or windfall for certain companies; and some of us so stated in the committee and opposed the bill. We have an objection to file against the bill when it is considered on the floor of the Senate.

Mr. MORTON. I thank the Senator.

This proposal does not involve a tax reduction. As the Treasury points out, the taxes will be collected. The point is that it gives a commercial or competitive advantage to the very companies which we seek to relieve, and which we wish to relieve.

I hope, therefore, that members of the committee themselves will agree to take my amendment, or some similar proposal, to conference. I have no pride of authorship. I am willing to reach an adjustment in whatever manner is possible, so that we can afford the tax relief or delay which is needed, and at the same time give to no company or group of companies an out-and-out windfall. I am afraid, if we are not careful, that that is exactly what we shall do.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 1168. An act to clarify the application of section 507 of the Classification Act of 1949

with respect to the preservation of the rates of basic compensation of certain officers or employees in cases involving downgrading actions;

H. R. 5104. An act to preserve Gloria Del (Old Swedes') Church national historic site by authorizing the acquisition of abutting properties, and for other purposes;

H. R. 5865. An act to amend section 80 of the Hawaiian Organic Act, and for other purposes;

H. R. 7403. An act to authorize the Secretary of the Interior to acquire certain land for the Deshler-Morris House, Independence National Historical Park;

H. R. 7860. An act to amend section 1 of the act of July 24, 1956 (70 Stat. 625), entitled "To provide that payments be made to certain members of the Pine Ridge Sioux Tribe of Indians as reimbursement for damages suffered as the result of the establishment of the Pine Ridge aerial gunnery range";

H. R. 8160. An act authorizing a survey of the Tensaw River, Ala., in the interest of navigation and allied purposes;

H. R. 8481. An act to amend title IV of the Agricultural Act of 1956 to provide that the provisions of such title shall apply in Hawaii;

H. R. 9445. An act to amend the Hawaiian Organic Act, and to approve amendments of the Hawaiian land laws, with respect to leases and other dispositions of land;

H. R. 9783. An act for the relief of Mrs. Henry Oscar (Olga McCurdy) Ramsey;

H. R. 10495. An act to amend that part of the act of June 9, 1896 (29 Stat. 313), relating to the establishment of postal stations and branch post offices, so as to permit them to be established within 10 miles of the boundary of the adjoining city;

H. R. 11009. An act to provide for the establishment of Grand Portage National Monument in the State of Minnesota, and for other purposes;

H. R. 11581. An act to remove wheat for seeding purposes which has been treated with poisonous substances from the "unfit for human consumption" category for the purposes of section 22 of the Agricultural Adjustment Act of 1933 and for other purposes;

H. R. 12494. An act to authorize the Secretary of Agriculture in selling or agreeing to the sale of lands to the State of North Carolina to permit the State to sell or exchange such lands for private purposes;

H. R. 12808. An act to amend the Federal-Aid Highway Act of 1958 to extend for an additional 2 years the estimate of cost of completing the Interstate System;

H. R. 13070. An act to provide for the disposition of surplus personal property to the governments of Alaska and Hawaii until December 31, 1959;

H. R. 13268. An act authorizing Commodity Credit Corporation to purchase flour and cornmeal and donating same for certain domestic and foreign purposes;

H. R. 13518. An act to incorporate the Blind Veterans Association;

H. R. 13552. An act providing for the design of the flag of the United States;

H. R. 13559. An act to amend the War Orphans' Educational Assistance Act of 1956 to authorize the enrollment of a handicapped eligible person in a specialized course of vocational training;

H. J. Res. 557. Joint resolution to amend the Act of September 7, 1957 (71 Stat. 626), providing for the establishment of a Civil War Centennial Commission; and

H. J. Res. 654. Joint resolution requiring the Secretary of Commerce to submit certain recommendations for legislation for the purpose of assisting Congress to determine whether or not to reimburse States for certain highways on the National System of Interstate and Defense Highways.

#### HOUSE BILLS AND JOINT RESOLUTIONS REFERRED OR PLACED ON THE CALENDAR

The following bills and joint resolutions were severally read twice by their titles, and referred or placed on the calendar, as indicated:

H. R. 1168. An act to clarify the application of section 507 of the Classification Act of 1949 with respect to the preservation of the rates of basic compensation of certain officers or employees in cases involving downgrading actions; and

H. R. 10495. An act to amend that part of the Act of June 9, 1896 (29 Stat. 313), relating to the establishment of postal stations and branch post offices, so as to permit them to be established within 10 miles of the boundary of the adjoining city; to the Committee on Post Office and Civil Service.

H. R. 5104. An act to preserve Gloria Del (Old Swedes') Church national historic site by authorizing the acquisition of abutting properties, and for other purposes;

H. R. 5835. An act to amend section 80 of the Hawaiian Organic Act, and for other purposes;

H. R. 7403. An act to authorize the Secretary of the Interior to acquire certain land for the Deshler-Morris House, Independence National Historical Park;

H. R. 7860. An act to amend section 1 of the Act of July 24, 1956 (70 Stat. 625), entitled "To provide that payments be made to certain members of the Pine Ridge Sioux Tribe of Indians as reimbursement for damages suffered as the result of the establishment of the Pine Ridge aerial gunnery range";

H. R. 9445. An act to amend the Hawaiian Organic Act, and to approve amendments of the Hawaiian land laws, with respect to leases and other dispositions of land;

H. R. 11009. An act to provide for the establishment of Grand Portage National Monument in the State of Minnesota, and for other purposes; and

H. R. 13070. An act to provide for the disposition of surplus personal property to the governments of Alaska and Hawaii until December 31, 1959; to the Committee on Interior and Insular Affairs.

H. R. 8160. An act authorizing a survey of the Tensaw River, Ala., in the interest of navigation and allied purposes;

H. R. 12808. An act to amend the Federal-Aid Highway Act of 1958 to extend for an additional 2 years the estimate of cost of completing the Interstate System; and

H. J. Res. 654. Joint resolution requiring the Secretary of Commerce to submit certain recommendations for legislation for the purpose of assisting Congress to determine whether or not to reimburse States for certain highways on the National System of Interstate and Defense Highways; to the Committee on Public Works.

H. R. 8481. An act to amend title IV of the Agricultural Act of 1956 to provide that the provisions of such title shall apply in Hawaii; and

H. R. 12494. An act to authorize the Secretary of Agriculture in selling or agreeing to the sale of lands to the State of North Carolina to permit the State to sell or exchange such lands for private purposes; to the Committee on Agriculture and Forestry.

H. R. 9783. An act for the relief of Mrs. Henry Oscar (Olga McCurdy) Ramsey;

H. R. 13518. An act to incorporate the Blind Veterans Association;

H. R. 13552. An act providing for the design of the flag of the United States; and

H. J. Res. 557. Joint resolution to amend the Act of September 7, 1957 (71 Stat. 626), providing for the establishment of a Civil War Centennial Commission; to the Committee on the Judiciary.

H. R. 11581. An act to remove wheat for seeding purposes which has been treated



with poisonous substances from the "unfit for human consumption" category for the purposes of section 22 of the Agricultural Adjustment Act of 1933 and for other purposes; and

H. R. 13268. An act authorizing Commodity Credit Corporation to purchase flour and cornmeal and donating same for certain domestic and foreign purposes; placed on the calendar.

H. R. 13559. An act to amend the War Orphans' Educational Assistance Act of 1956 to authorize the enrollment of a handicapped eligible person in a specialized course of vocational training; to the Committee on Labor and Public Welfare.

### RURAL ELECTRIFICATION ADMINISTRATION

Mr. HUMPHREY. Mr. President, in the Sunday, July 20 issue of the Denver Post there appeared an article entitled "REA Danger Signs." This article, written by Howard Scott manager of the Colorado Rural Electric Association, points out some of the forces which are at work, which if left unchecked, may alter and modify the REA program—in particular REA loan policies and the financing of rural electric cooperatives.

Early in the 2d session of the 85th Congress, I introduced S. 2990 which would restore the REA to its status prior to the Reorganization Plan No. 2 of 1953. In other words—maintain REA as an autonomous agency with the powers of the REA Administrator in no way curtailed or limited by the Secretary of Agriculture or any other executive agency.

The powers and duties of the REA Administrator are spelled out in the statute establishing the REA. Congressman Price of Illinois has introduced a similar bill in the other body.

I ask unanimous consent that the article by Mr. Howard Scott be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**REA DANGER SIGNS—HUMPHREY-PRICE BILL  
WOULD HELP HAMIL RESIST ATTEMPTS TO  
HAMSTRING HIS WORK**

(By Howard Scott, manager, Colorado Rural Electric Association)

A subtle change has taken place in the pattern of Rural Electrification Administration operations under the Eisenhower administration, raising the disturbing question in the minds of Colorado's 80,000 REA customers:

Who is calling the shots on REA policy, anyway?

The answer is still Colorado's own David A. Hamil, national REA Administrator.

But some other administrator might show less backbone in resisting repeated and devious attempts to curtail REA's authority, responsibility, and activities in bringing electricity and telephones to millions of farms and rural businesses.

Senator HUMPHREY, Democrat, of Minnesota, and Representative PRICE, Democrat, of Illinois, want to preserve REA's independent, or at least semi-independent status as a public institution which has proved to be a paying investment in the growth of rural America.

At stake in legislation introduced by these two friends of REA is the whole future of the rural-electrification program as we have come to know it since its inception in the dark days in 1936.

The bills themselves are simple. They provide merely that the Agriculture Depart-

ment reorganization authorized in 1953 shall not apply to the REA.

But the reason for this legislative exemption for REA runs much deeper.

To understand it, a bit of REA history is necessary.

REA was established as an independent agency in 1936 (when only 10 percent of all farms were electrified) to make loans to any agency or company which would provide full electric coverage to unserved areas. When existing companies held back, REA co-ops were formed to extend electric power lines into 97 percent of all farms today.

In 1939, the REA was transferred to the Department of Agriculture but its independence was preserved until the reorganization of 1953.

Congress then granted the Secretary of Agriculture broad powers to reorganize his department. Many co-ops and Congressmen argued that the REA should remain independent, under an independent administrator.

Agricultural Secretary Benson, however, offered assurances that no change whatever was contemplated in REA operations. Before any changes were made, he promised, interested rural groups and Congress would be consulted.

So the 1953 reorganization went through, and so far things haven't changed drastically under Administrator Hamil's strong reign. But Secretary Benson himself has since said:

"It should be understood that all functions in the Department, including REA, were transferred to the Secretary by Reorganization Plan No. II of 1953 \* \* \* under that plan I have delegated the REA functions to the Administrator."

What does this mean? It means that REA thus has become but an adjunct of the Department, and the Administrator's powers, once statutory, and absolute, now stem from the Secretary of Agriculture.

Administrator Hamil may be a good team player, but he doesn't like the plays being called by the quarterback.

One he surely must not like is the requirement that all REA loan applications in excess of \$500,000 must be reviewed by higher Agriculture Department officials.

Sometime last summer, without any advance notice, Secretary Benson assigned to Kenneth Scott, Director of Agricultural Credit Services, the review responsibility over REA loans of \$500,000 or more.

Dave Hamil has not been awed by such supervision, but there are only a few Dave Hamils.

And now two more major REA proposals have gone to Congress as the official policy of the administration and the Agriculture Department.

One (the Capehart bill) would triple the interest cost to REA borrowers. The other, purportedly a private financing program, has yet to find a Congressional sponsor.

Team player Hamil doesn't like these calls either. And who called them?

According to the appointed REA watchdog, Kenneth Scott, they did not originate with the REA or the REA Administrator. Nor did they stem from consultation with interested rural groups or REA borrowers.

Instead, they came down from the Bureau of the Budget.

Administrator Hamil has conducted a tough rearguard action, but he alone cannot stop the drive.

The Humphrey-Price bills could stop it by reestablishing the powers of the REA and its Administrator and put them beyond the reach and influence of higher political policymakers.

### ACTIVITIES OF THE INTERNATIONAL LABOR ORGANIZATION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have placed in

the CONGRESSIONAL RECORD a statement prepared by George P. Delaney entitled "Let's Keep the Record Straight."

Mr. Delaney has served for many years as a representative of the worker organizations to the International Labor Organization. His statement relates to the activities of that fine organization, and deserves careful attention.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### LET'S KEEP THE RECORD STRAIGHT

The first amendment to the Constitution of the United States guarantees to all citizens the right of free speech. That right has been zealously guarded by the courts through all the years of our constitutional history. In most instances the purveyors of half-truths and innuendoes have finally been exposed in the court of public opinion either as "prevaricators" or the advances for self-seeking individuals or of the interests they so often represent.

On Tuesday, April 15, 1958, there was introduced into the CONGRESSIONAL RECORD a report by Mr. Kenneth C. Kellar and Mr. Denison Kitchell on their views as employer representatives to an ILO tripartite meeting on mines other than coal mines (November 25-December 7, 1957) which purports to reflect what happened at this meeting. Both of these gentlemen are successful attorneys representing firms engaged in mining ores other than coal in the United States. Because of their ability and the important firms they represent, these men were nominated to serve on the ad hoc committee as employer representatives from the United States by the Chamber of Commerce of the United States and the National Association of Manufacturers. They were subsequently approved for such attendance by the Department of State. As private citizens they have their constitutional right to express any view they wish; as employer representatives to an international, tripartite meeting composed of equal representatives of government, workers, and employers, it would seem there would also have been a certain responsibility for impartial accuracy in reporting.

The report of these men as printed in the RECORD makes use of such gratuitous phrases as "speech after speech," "captive audience," "the virtue of government regulation," "intervention in all phases of labor-management relations," "rigid direction of ILO permanent staff," "unwittingly convened," "maneuvered through the labyrinth of legislative chicanery," "sinister aspects," "contribution to national suicide."

As attorneys, and if appearing before a court, these men might well have been asked to explain, qualify or justify the accuracy or validity of their remarks prior to the entry of such statements into the record. As it is, the most striking feature of their statement is the absence of a single reference to any constructive suggestion made by them at this meeting. Are we to believe that legal counsel for some of the more important mining interests in the United States are so naive, or so ill-informed, or so timid, that their voices cannot be heard in an international meeting attended by representatives of 23 of the free nations of the world and in which the Communist nations had representatives from only two?

To keep the record straight, I should like to make clear that for all meetings of the International Labor Organization, the United States Government is obligated to, and does, furnish both the employer and worker organizations of this country with all ILO documentation, reports, questionnaires, replies of governments and background information pertinent to the meeting. Such background material is also supplied to the

official representatives of the employers and the workers well in advance of their departure for the particular ILO meeting. The comments, criticisms and suggestions of both groups are actively solicited by the Government prior to the final adoption of official positions; final determination of government policy, of course, rests with the Government. However, it should be made quite clear that representatives of employer and worker organizations to these meetings go without instruction from this Government and can, and do, independently express the views of their own organizations; these representatives are free to agree or disagree with any and all groups.

To keep the record straight: Messrs. Kellar and Kitchell in their release for publication stated: "The final day of the Conference found us unwittingly convened as an international parliament." From such a statement it is quite obvious that the Messrs. Kellar and Kitchell did not bother to read the background material given them by the United States Government or, if read, chose to ignore it. Included in the material given them was a copy of the constitution of the ILO which spells out quite clearly for all member nations that even the Conference itself has no power to enforce its will on any member state. It is not, nor can it be, an international parliament. The meeting these two gentlemen attended was an ad hoc meeting—not having the status of any of the eight established industrial committees. Even those committees have only the authority to make recommendations for suggested courses of action to the governing body of the ILO which serves in the same capacity as the board of directors of a corporation—an administrative structure with which I am sure these gentlemen should be familiar.

To keep the record straight: Only individuals totally unfamiliar with the normal procedures preceding ILO meetings would make such a statement as appears in the Kellar-Kitchell report such as, "the discussion consisted of voting on . . . specific proposals, obviously prepared well in advance of the conference by the permanent staff, acting as the handmaidens of the leftwing international trade unions." Prior to all ILO meetings, documentation is prepared by the International Labor Organization staff in Geneva and forwarded to the member governments for their comments, suggestions or recommendations. For the major conferences, a summary report of the initial comments of all responding governments is circulated to the members for their information and the preparation of positions consistent with their national and international policies. It is questioned that such a procedure can be considered "domination by the opinions of a staff of international civil servants in Geneva."

As a representative of the worker organizations to the ILO from the United States to ILO Conferences and other meetings and as an elected worker delegate to the ILO governing body, I have been attending such meetings since 1948. I question whether any responsible employer representative with any experience or knowledge of ILO activities over this period would honestly characterize me as a "leftwing international trade unionist." I find it equally difficult to understand the "fear" that governments are alleged to have by Messrs. Kitchell and Kellar of this sinister organization in view of a membership increase from 59 nations in 1948 to 80 nations in 1958.

The allegations made in the published report with regard to the expense of United States contributions to the ILO strike me as being exceptionally puerile. In view of this country's demonstrated willingness to have spent between \$3 billion and \$5 billion a year in foreign aid in each of the years since World War II in an attempt to win friends and influence opinion in the nations of the world,

it would seem to me that an expenditure of around \$1,750,000 annually for the ILO has been a cheap price to pay for keeping the voice of this country alive and maintaining our democratic role in an established international forum dealing with labor problems. Perhaps these gentlemen would prefer that we relinquish our leadership and allow the Communist nations to have full sway. As an American citizen, as an American trade unionist, and as one who believes with my whole heart and my whole being in the democratic concepts and principles that have made our country so great, I fervently hope such a condition may never come to pass.

#### THE STRUGGLE FOR THE MINDS OF MEN

Mr. HUMPHREY. Mr. President, recently, I received a copy of an article by Rev. H. Robert Gemmer, director of the social welfare department of the Cleveland Church Federation. This article, entitled "Winning the Real Struggle," is based on a sermon by Reverend Gemmer on the vital problem of winning the real struggle for the minds of men. It is a most inspiring and eloquent exposition of the challenge posed by the Soviet Union.

Mr. President, I wish to call the attention of my colleagues to certain portions of Reverend Gemmer's observations:

The vast bulk of the human race is the battleground in which this struggle for the minds of men is taking place. . . . The people of countries that have seen the horror of war at first hand, are looking for the peace-loving nations. Russia is doing her best to demonstrate that she is such a nation, in this battle for the minds of men. Whether she is sincere in all that she does is not the question, for it is what people think about what she does that counts in the battle for their minds.

. . . We can't win this struggle for men's minds by atomic bomb building, testing, or threatening to use them in the event of war. Nor can we win the struggle by sending guns instead of butter to hungry people. Nor can we win the struggle by tying military aid in with economic aid in trying to buy military allies.

We can "win this battle for the minds of men" writes Reverend Gemmer "by beginning in bold courageous ways to show to the people of the world that the democratic way is the best way in action. 'Made in the U. S. A.' label on a usable farm implement might do more to win the minds of the farmers of India or Russia than all the satellite globe circling."

Mr. President, as examples of the kind of action which would contribute toward our winning this real struggle, Reverend Gemmer points to such programs as Point 4 and HELP—homeless European land program.

In a moving comparison of the present world situation with Christianity as being in both cases a struggle for the minds of men, Reverend Gemmer writes:

It is as men come to see the way, the truth, and the life revealed by Christ in His life and teachings, that they can begin to see the "things that make for peace." . . . In an effort to reach the hearts and minds of men we must get to know them.

Mr. President, I ask unanimous consent that the full text of this inspiring

message of Reverend Gemmer be printed in the CONGRESSIONAL RECORD at this point in my remarks.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

#### WINNING THE REAL STRUGGLE

Congresswoman FRANCES BOLTON has quoted a challenge from the Soviet Union as stated by Nikita Khrushchev to the United States:

"We declare war upon you—excuse me for using such an expression—in the peaceful field of trade. We declare a war we will win over the United States. The threat to the U. S. A. is not the ICBM, but in the field of peaceful production. We are relentless in this, and it will prove the superiority of our system."

What does Mr. Khrushchev mean in this statement and similar statements he has repeatedly made? He means that the Soviet Union has gone all out to win the real struggle—the struggle for the minds of men.

The vast bulk of the human race is the battleground in which this struggle for the minds of men is taking place.

In seeking to win this struggle, the Soviet Union has greatly stepped up its trade with the uncommitted countries of the world, without getting a precommitment to the Communist dogma. It is seeking to build a great reservoir of goodwill that will equal and surpass the reservoir of goodwill the United States has built up in the past.

How can we win this real struggle for the minds of men?

First, let me emphatically say some ways we cannot win this true struggle: We cannot win the minds of men by continuing the arms race, building and testing atomic and hydrogen weapons. Our military leaders may say that we need armaments in this kind of world. But they are deluding themselves and us if they think that weapons can really win the battle for the minds of men.

I believe it was Lincoln who said, "The only way we can get rid of our enemies is by getting rid of our enmity"—i. e., by making them our friends.

By atomic and hydrogen bombs and other weapons we can kill people—millions of people—including Communists and non-Communists, friends and foes alike, in our devastation. (And Russia can do the same.) But would that win the struggle? We can't kill ideas by bombs.

What does communism breed upon? Misery, poverty, injustice, the things that are wrong in society. Certainly the greatest injustice of all—war, with its inherent misery and poverty, with or without so-called clean bombs—would produce a fertile breeding ground, alive with the maggots of hate and despair and susceptible to the lying dogmas of any totalitarianism, Communist or Fascist.

Let me illustrate. The Second World War was to end totalitarianism, but after it was over there were far more people living under totalitarianism than before.

Russia realizes that the people of the world are hungry for peace and plays upon that hunger. After concluding her March 1958 atomic tests, she announced that she was doing what some had been urging the United States to do: "A unilateral suspension of all nuclear testing." Our press revealed that we had through our intelligence system learned she was planning to do this. We could have "jumped the gun" on her and suspended our own tests first, but, no; we "threw in the towel" on another round to the Russian dictators.

And, for good measure, we awarded another round in the fight for men's minds to the Russians by going on with our testing in the Pacific, no matter what four Quakers, sailing into the test site to sacrifice their lives, if need be, in a dramatic witness against the testing, or anyone else, might say or do.



Perhaps you didn't read in the newspapers what Dr. Linus Pauling, the Nobel Prize winner, and Dr. Edward Condon, former head of the United States Bureau of Standards, and numerous other scientists have said about the literally thousands of children we are dooming to the horrible death of leukemia, etc., by such testings. This is a legacy of death which we will pass on to our children and our children's children as radioactivity remains in the air.

Indeed, what we sow we shall reap and our children's children. More than 9,200 scientists from 44 countries including 36 Nobel Prize winners, in a statement released by Dr. Pauling, declared:

"Each nuclear bomb test spreads an added burden of radioactive elements over every part of the world. Each added amount of radiation causes damage to the pool of human germ plasma such as to lead to an increase in the number of seriously defective children that will be born in future generations."

The Bulletin of the Atomic Scientists for January 1958 put it this way:

"We can be sure that a large number of persons yet to be born—tens or hundreds of thousands or more—will die, or be deformed, or diseased, or otherwise impaired as a result of bomb testing."

The prophecy has already proven true, for in the April 19, 1958, Cleveland News, the major headline was "A-Tests Crippling West German Babies." The lead article quoted a famous West German pediatricist's findings which "proved beyond doubt that a direct link exists between congenital deformities and nuclear tests." The deformities have increased more than 350 percent since 1950.

Perhaps we haven't read these facts in our newspapers, but the people of the non-atomic-bomb countries are aware of our threatening their (and our) future generations. On December 12, 1957, the Russians adroitly offered to cancel their March 1958 and all future bomb tests, in the widely publicized Bulganin letters, if we would do the same, and when we refused did unilaterally suspend their own testing after their March tests. Think of what this meant in the struggle for the minds of men, even though in "small print" Russia said she might be compelled by the United States to renew testing at a later date.

The people of countries that have seen the horror of war at first hand are looking for the peace-loving nations. Russia is doing her best to demonstrate that she is such a nation in this battle for the minds of men. Whether she is sincere in all that she does is not the question, for it is what people think about what she does that counts in the battle for their minds.

Yes, we can't win this struggle for men's minds by atomic-bomb building, testing, or threatening to use them in the event of war. Nor can we win the struggle by sending guns instead of butter to hungry people. Nor can we win the struggle by tying military aid in with economic aid in trying to buy military allies. Nor can we win the struggle by allying ourselves with totalitarian dictatorships of the Fascist brand who happen to oppose communism. We may find to our dismay that our aid to regimes like Franco's will prove bitter fruit at a later date. Nor can we win the battle for the minds of men by continuing our discriminatory racial practices. Every act of discrimination in the United States of America which is publicized around the world turns thousands of minds to communism.

How, then, can we win this struggle for men's minds? By beginning in bold courageous ways to show to the people of the world that the democratic way is the best way in action. Former President Harry Truman, in a speech on February 25, 1958, stated our critical need for this:

"We are caught hard and fast in the most terrible armaments race in the history of the world. \* \* \* Already, we have weapons so destructive as to endanger the very existence of the human race. \* \* \* Now what can we hope from all these weapons—all these billions of dollars we must spend for defense? \* \* \* There must be a better way. \* \* \* One of the best hopes is economic assistance for other nations."

For example, think what it would mean if we met our unemployment problem by seeking to produce more consumer goods which we would trade or sell on long-term credit arrangements with the needy peoples of the world, including those of the Communist lands. The "Made in the U. S. A." label on a usable farm implement might do more to win the minds of the farmers of India or Russia than all the Dulles or satellite globe circling.

Our Point 4 program is a significant part of our campaign to win the real struggle. To the degree that we are willing to help people to help themselves, without strings being attached, we will be successful in our endeavor. A man who is improving his standard of living in a self-respecting way is indeed not likely to turn to communism.

This is graphically illustrated in a non-governmental effort of people to people. Don Murray, the famous movie star, did alternative service as a conscientious objector to war under the Brethren and Congregational Service Commissions in Europe. As he worked with refugees he had to see their hopeless plight, behind barbed wire for a decade, through no fault of their own. With the help of another young American he conceived the homeless European land program (HELP) which is helping these refugees to acquire self-respect along with a little land of their own. Perhaps you saw this work described on This Is Your Life. Tens of thousands of dollars were sent to "HELP, Elgin, Ill." following this program.

Our Government is not totally unaware of what it takes to win the real struggle. Even the bipartisan Preparedness Subcommittee stated (as was quoted in an article by Editor Emeritus Frederick J. Libby in the March 1958 issue of Peace Action):

"But the truly worthwhile goal is a world of peace—the only world in which there will also be security."

"The immediate objective is to defend ourselves. But the equally important objective is to reach the hearts and minds of men everywhere, so that the day will come when the ballistic missile will be merely a dusty relic in the museums of mankind and men everywhere will work together in understanding."

In an effort to reach the hearts and minds of men, we must get to know them. Again I believe it was Lincoln who said, "Hate him? How can I? I know him."

President Eisenhower, in his heart, realizes that we must have more than words for peace. In his state of the Union address January 9, 1958, he declared:

"There is only one solution to the grim problems that lie ahead. The world must stop the present plunge toward more and more destructive weapons of war, and turn the corner that will start our steps firmly on the path toward lasting peace. \* \* \* This will require more than words of peace. It requires works of peace."

The New York Herald Tribune was also quoted in the March 1958 Peace Action as follows:

"Arrangements are being made to exchange some 40 delegations of persons in industry, agriculture, the scientists, teachers, writers, composers, singers, dancers, actors, and symphony orchestras." The President proposes adding "leaders of thought and influential citizens"; and he also characterizes the agreement reached already for the exchange of 20 to 30 students a year as woefully inadequate."

This agreement won a round for the people of the world, and in the minds and hearts of the people, both America and Russia also won that round.

But we are still halting in our policy. Despite the fact that the President asked for the exchange of "leaders of thought and influential citizens," when Khrushchev took this as an invitation to come to the United States he was rebuked, and Russia won another round. It looked to the world as if we were afraid that the American people might let his communism rub off on us, along with his smile.

I believe that our democratic beliefs and way of life are strong enough to stand comparison with any other way of life, and still come out on top.

I believe that Cyrus Eaton has contributed more to preserving world peace than we realize in what the Cleveland Press calls "his personal campaign to prevent extermination of the human race by nuclear warfare." (April 10, 1958.) For example, on April 11, in the morning 30 scientists from 8 nations including Russia and Red China were scheduled to issue a program for assuring peace at a meeting in Quebec as guests of the 74-year-old capitalist. (Incidentally, the meetings, like others he has held in Nova Scotia have had to be outside of the United States due to our refusal to allow Red Chinese scientists and others to enter the country.) Later in the day he also entertained Russian Ambassador Mikhail Menshikov at a weekend here in Cleveland.

Christianity is in this struggle for the minds of men. It is as men come to see the way, the truth, and the life revealed by Christ in His life and teachings, that they can begin to see "the things that make for peace."

As Jesus overlooked Jerusalem He wept, for the people did not know the things that made for peace. As He looks over the world today He must be very sorrowful as He sees how little we understand what needs to be done to realize His way.

His world was very like our own, full of totalitarianism and evil. But He taught His way of overcoming evil.

What are some things that each one of us can do to help the cause of peace? (1) We can give money to such projects as the Share Our Surplus program of Church World Service, which contributes 300 pounds of food to hungry people for \$1. (2) We can help reestablish human dignity and individual homeownership by supporting such projects as the HELP program established by Don Murray. (3) We can receive into our homes exchange students from Germany, Poland, and other countries. (4) We can write our Congressmen, Senators, and the President, appealing to them to stop this tragic race toward destruction and begin to apply Christian principles in our international relations, and work toward implementing the ideas and ideals expressed earlier in this article.

In our world of today to the degree that we will commit our lives to Him and to His way, to that degree will we succeed in our effort to win the struggle for the minds of men.

#### THE SUMMIT CONFERENCE

Mr. HUMPHREY. Mr. President, I address myself to a matter of great concern to every citizen of our land and, indeed, to every person in the world. Today, Prime Minister Nikita Khrushchev presented a note to the Ambassadors of the United States, Britain, and France. The Ambassadors were summoned to the foreign ministry at the Kremlin and were presented with a reply to President Eisenhower's note to Mr. Khrushchev of August 1.

Senators will recall that President Eisenhower suggested that the U. N. Security Council arrange a summit meeting on the issues and problems which face the United States, the Soviet Union, and, indeed, every nation in the Middle East.

I was one of the Members of Congress who heralded the President's decision to take these difficult and trying problems of the Middle East, with all their complexities, to the United Nations. Time after time I have urged in the Senate, in my role as a Senator and as chairman of the Subcommittee on the Middle East, Africa, and South Asia, that the President and the Secretary of State utilize the facilities of the United Nations for the purpose of negotiating on the problems relating to the Middle East. Likewise, I have repeatedly urged that any so-called summit meeting be held under the auspices of the U. N.

I have always felt it was wrong, and could lead only to trouble, if we proceeded alone, unilaterally, in our efforts to solve these complex and difficult problems of the Middle Eastern countries. We would be looked upon with suspicion and take upon ourselves responsibilities that should be shared with others. The one political force or institution that continues to receive respect in this highly emotional area of the Middle East, is the United Nations.

It seemed to me that that area was tailor-made, for attention through the United Nations. Furthermore, I have urged again and again that our approach to the problems of the Middle East be on a multilateral basis, such as through a United Nations Middle East Economic Development Agency, which, I am happy to note, is now beginning to receive widespread support. The first pronouncement of such an agency was made in December 1956, when I was privileged to address the Overseas Press Club in New York City during my brief service as United States delegate to the United Nations.

In 1957, I laid out in the United States Senate other proposals, relating to a United Nations good offices commission, with a mandate from the General Assembly to seek, through honorable means, the settlement of disputes between the Arab nations and the state of Israel, including such vexing and pressing problems as the Arab refugee question.

I further recommended that we take action in the United Nations to guarantee the internationalization of some of the important waterways in that area, such as the Straits of Tiran and the Gulf of Aqaba.

I further advocated that we proceed through the United Nations to seek the imposition of an arms embargo in the Middle East, so that whatever shipments of arms would go into the area would be under U. N. supervision. These suggestions were made by me and many other Senators.

I am happy to note that the suggestions are today receiving considerable support from editors, publishers, commentators, and, indeed, from other governments. I only point out that the suggestions have been with us for

months. I am hopeful that constructive action will now take place.

#### KHRUSHCHEV REPLY OF AUGUST 5

Now we see an effort being made by the Soviet leader, Mr. Khrushchev, not only to muddy the waters, in terms of effective negotiations on the problems of the Middle East, but, indeed, to splash political mud around the entire international scene. Mr. Khrushchev is determined to make the most of the propaganda advantage he has been handed, and he has proceeded relentlessly and ruthlessly. But let us review the twisting course of Mr. Khrushchev on his summit proposals.

The first proposal on the part of Khrushchev, July 19, was the suggestion that the Soviet Union, the United States, France, Great Britain, and India be the five powers which would meet at a summit conference to deal with the problems of the Middle East. At that time Mr. Khrushchev laid himself wide open to justified criticism and condemnation. He was recommending, in other words, that the big powers, with only one neutral, India, be permitted literally to carve up the world and to decide the fate of mankind, without so much as including a single representative of any Middle Eastern State. Here was big power politics in its most flagrant form.

At that time I recommended, within 24 hours, when I was asked by a reporter as to my views on the Khrushchev proposal, that our suggestion and our answer should be that we do refuse to bypass the United Nations; that Mr. Khrushchev has sought to make a mockery of the United Nations, and has always sought to weaken the United Nations. Therefore, I proposed that the President and the Secretary of State reply to Mr. Khrushchev that we would work through the United Nations and through the Security Council. The place for a summit conference was on the high ground of the U. N.

I then outlined that article 28 of the Charter of the United Nations provides ample authority and flexibility for all possible kinds of meetings and representations under the auspices of the Security Council of the United Nations. For example, it was my view, and it has been subsequently upheld by those who are students of the United Nations and its Charter, that, first, the United Nations Security Council could provide for an ad hoc committee of the nation states to meet for informal discussions and negotiations; second, that the United Nations Security Council, through the permanent representatives at the United Nations, could work out the agenda and the proceedings for a meeting under the auspices of the Security Council; third, that the United Nations Security Council could notify and invite other nations, which were not represented on the Security Council, to send their leaders to such a meeting under the auspices of the United Nations. Furthermore the facilities and good offices of the United Nations Secretary General, Dag Hammarskjöld, could and should be utilized.

I recommended, for example, that the Middle Eastern Arab States should be represented, and that President Nasser,

of the United Arab Republic, should be invited.

I further recommended that because of the problems undoubtedly to be discussed would be the relationships between Israel and the Arab States, surely Prime Minister Ben-Gurion of Israel should be included among those to be invited. Indeed, I would not want our country ever to be a part of a "dealing out" of the legitimate rights of the people of Israel. Therefore, I felt it was important that that dynamic leader of the State of Israel be present to protect his country's legitimate interests. No one can do it more ably.

I also thought an opportunity might be afforded for direct person-to-person negotiation on the part of the leaders of the Middle Eastern States. I further included within my suggestion that states such as India and other neutral nations might be included.

The sum and substance was and is that the United Nations Security Council is the appropriate mechanism for such a meeting. I hope President Eisenhower will forthwith send a message back to Nikita Khrushchev, saying that the U. N. Security Council is exactly where we are willing to meet; that we are unwilling to permit the Soviet Union to make a mockery of the United Nations and its facilities; furthermore, that we are unwilling to join in any maneuver which will cheapen the United Nations and threaten the very peace of the world.

This is the time for firmness, because our cause is just. I have been critical of the administration's lack of policy in the Middle East; but when the President recommended that we go to the U. N. Security Council for these discussions, he was eminently correct. I only hope the President will speak with the firmness and the decisiveness which will literally make the bricks in the Kremlin rattle. It is time the Kremlin was told unequivocally that we are prepared to meet with confidence; that we are not prepared to call a retreat from principle; that we are not afraid; that if the Soviet Union seeks to threaten the peace, they will meet a strong America and a powerful alliance.

So long as we stand on principle, we can be firm and unequivocal. So long as we seek to protect the rights of others, we will have the strength of legion.

#### THE KHRUSHCHEV HYPOCRISY

Is it not interesting that Khrushchev, only about 2½ or 3 weeks ago, wanted a meeting of 5 nations? He said it was necessary to have a small group of nations meet if there were to be any effective negotiations. Now he wants to take the problem of the Middle East into the General Assembly of 81 nations. This only proves the hypocrisy and duplicity of the Khrushchev position.

Furthermore, the General Assembly is scheduled to hold its regular meeting on September 16. There is plenty of work for the heads of nations to do between now—the 5th day of August—and the 16th day of September. There is plenty of work which can be done in the United Nations Security Council. Decisions can be arrived at in the Security Council re-



lating to general settlements and agreements in the Middle East. Some of the settlements and agreements will have to be implemented by the General Assembly. That implementation can take place in the regular assembly meeting which will start on September 16.

Fortunately, the Senate will be represented in the General Assembly by two of its most eminent members, members of the Committee on Foreign Relations, the Senator from Montana [Mr. MANSFIELD] and the Senator from Iowa [Mr. HICKENLOOPER]. Both of them are intimately familiar with the problems of the Middle East.

We should state to the Soviet Union that we welcome the meetings of the General Assembly and that we shall be there on September 16. Indeed, Mr. Khrushchev can be there, too, if he so wishes. He can be there as the head of his delegation.

In the meantime, the place to negotiate and seek settlements is the Security Council. That can be done if the Soviet Union does not continue to abuse the right of veto. What the Soviet Union seeks in an extraordinary session of the General Assembly is a propaganda forum. It seeks the opportunity to utilize the General Assembly of the United Nations for its attacks upon the West; for its vituperative attacks upon the United States, Great Britain, France, and other countries. It seeks to use the General Assembly forum as a means of expressing its hypocritical, alleged interest in the Middle Eastern States.

No; Khrushchev's suggestion should be rejected out of hand. Our original proposal should be enthusiastically embraced. I hope there will not be even a faltering, not a single hesitancy, not a doubt; but, rather, an enthusiastic acceptance and pronouncement of our desire to meet in the United Nations Security Council.

Mr. President, one of the most enlightened editorials on the entire matter of the Security Council and its role in the present Middle Eastern dispute was written by Ernest K. Lindley, Washington editor of Newsweek magazine. Mr. Lindley is a very well informed commentator on Middle Eastern problems. He has traveled extensively in that area. He is a scholar and a brilliant student of world politics.

I ask unanimous consent that this timely editorial, entitled "No False Front," written by Mr. Lindley, and published in Newsweek magazine for August 4, 1958, be printed at this point in the RECORD. The editorial relates directly to what I have been saying as to the possibilities of working through the Security Council.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### NO FALSE FRONT

(By Ernest K. Lindley)

The United Nations is the right forum for a high-level meeting on the Middle East whatever the locale. New York is, of course, the best—with Khrushchev and Nasser present. We should welcome a gathering anywhere as a promising opportunity.

The U. N. is the right forum for several reasons. The West can talk with Khrushchev there without accepting his theses that the Soviet Union is a Middle Eastern power and that the fate of that part of the world should be decided wholly by the big nations. At the U. N., the weaker nations are represented—on the Security Council as well as in the General Assembly. Those directly involved may—and should—be heard by the Security Council and consulted with. The U. N. is already seized with the problem of aggression against Lebanon and in connection with it has accepted definite, if still very limited, responsibilities. We should do all that we can to persuade the U. N. to put a stop to aggression there and throughout the Middle East.

New York is best for a meeting for two reasons. Care must be taken not to make the U. N. a false front for a big-power deal. A meeting away from U. N. headquarters would tend to have that appearance. Secondly, exposure to the U. N. atmosphere and a glimpse of the United States might be educational for both Khrushchev and Nasser. Neither has ever visited the United States. Each should be invited to stay on a while and see something of the rest of this country.

#### PITFALLS

Of course there are many possible pitfalls in this conference. But we can confer with confidence because our basic position is sound. We stand against aggression, direct and indirect. We defend the independence of other free nations, large and small. We oppose imperialism or colonialism.

The President should use the opportunity for private but separate talks with Khrushchev and Nasser. To Khrushchev he should make plain that the United States will respond with military force to Soviet military intervention in the Middle East—whether under the Soviet flag or in the guise of "volunteers." That is, he should make it clear beyond any possibility of misunderstanding that the Eisenhower Doctrine stands. This doctrine, as I wrote when it was adopted, was only a partial policy. But as a shield it remains indispensable.

To Nasser, the President should make plain that (1) we do not challenge his position as head of the United Arab Republic; (2) we sympathize with the aspiration of so many Arabs for unity and do not oppose Arab federations or unions when they come about voluntarily and peacefully with the approval of the people concerned; (3) we will do all that we can to stop indirect aggression.

#### OBJECTIVE

We should not expect this conference to result in agreements. There can be none based upon U. N. principles and purposes unless Khrushchev and Nasser yield. Lebanon is an immediate test. Our objective should be to persuade the U. N. to take full, effective responsibility for stopping the aggression against Lebanon and assuring its future as an independent nation. When it does that, American forces can be withdrawn. Greatly strengthening the U. N. observation group, in the hope of halting the movement of arms and armed intruders from Syria, is only one of the necessary steps. This is the time to organize a mobile, always-ready, U. N. police force to go to the aid of any or all other small nations aggressed against as Lebanon has been. The U. N. should also look into the Syrian training centers for Arab saboteurs, terrorists, and assassins. It should brand as aggression the Cairo and Damascus radio broadcasts inciting rebellion against other governments and the assassination of Arab leaders who have the courage to oppose communism and Nasser.

There are complex special problems in the Middle East. The Arab-Israeli quarrel is one. Jordan, an artificial and economically dependent state, is another. In due course, some of these special problems must be tackled, preferably through the U. N. But

they should not blind us to the basic and most urgent problem: Putting a stop to aggression and the threats of it, in all their forms.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "A Neutral Lebanon?" published in the Minneapolis Star of June 30, 1958. The editorial concerns possible solutions of the difficulties in Lebanon.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### A NEUTRAL LEBANON?

Just when prospects seemed brightest for resolving Lebanon's 12-week-old civil strife new complications have clouded the picture.

Government opposition parties seemed close to agreement on Gen. Fuad Shehab, commander of the army, as the next President. All sides indicated that Shehab's election by Parliament Thursday could reunify the country and make possible the withdrawal of United States forces.

Then Premier Sami Solh barely escaped assassination and the national front, a major opposition group, decided to make 15 new demands before agreeing to any unity plan.

Angered by the assassination attempt, the cabinet of President Chamoun is reported to be considering postponement of the presidential election while demanding that General Shehab move vigorously against insurrectionist forces in Beirut. To date, Shehab has conspicuously refrained from committing his army to any all-out effort to crush the revolt.

As for the national front's demands, they include some unacceptable to the Government. Among them are a call for immediate resignation of Chamoun, whose term expires in September, and a commitment by presidential candidates to ask immediate withdrawal of the United States forces.

So the peacemaking efforts of Robert D. Murphy, United States Deputy Undersecretary of State, go on. Of special interest in Beirut are press reports that Murphy has discussed with Chamoun and other leaders the possibility of a guaranty of Lebanon's neutrality by the major powers, once the internal strife has ended.

These reports would indicate that the veteran troubleshooter, Murphy, is getting close to reality in Lebanon. Many specialists on the Middle East believe Chamoun's military tie to the United States under the Eisenhower Doctrine was a major factor in splitting his country and bringing on the insurrection.

If a neutral Lebanon is the price that must be paid for a quick end to the civil strife, the United States and the West should be willing to pay it.

It could turn out to be the best possible device for keeping the Levant republic out of Gamal Abdel Nasser's camp and immune from Soviet influence as well.

Mr. HUMPHREY. Mr. President, in the light of my early comments on the need for a United Nations regional economic agency, financed jointly by the United States, the Soviet Union, and other powers in relation to their ability to pay, as well as a United Nations permanent police force and other United Nations agencies, and to promote peace, tranquility, and progress in the Middle Eastern areas, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "For Crisis Insurance," published in the St. Louis Post-Dispatch of August 3, 1958. The editorial is provocative, thoughtful, and

constructive in its tone and purpose. It states succinctly some suggestions which might still be embraced by our policy-makers.

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

#### FOR CRISIS INSURANCE

If the West goes into the summit conference weakened by the failure of its Middle East policies to date, that position could quickly be changed into one of great strength by the presentation of a bold, imaginative, sweeping plan to stabilize and pacify the region.

Engaging in an acrimonious debate over past events will gain nothing, and bore the world. Jockeying for propaganda advantage, wrangling over charges and countercharges of aggression, fixing blame for errors and misjudgments—all this will be futile and damaging to Western prestige. What is needed is a clear break with the past, strong and constructive initiatives for the future, a disposition to negotiate and compromise.

Two basic principles, it seems to us, ought to guide American policy. One is the principle that the Arab world can not and need not be converted into a military ally of the West, but can and should be permitted to assume a status of military neutrality based on independent and indigenous political development. The other is the principle that, big-power policies having come to a dead end, future approaches to the problems of the region should be collective efforts under the direction of the United Nations.

There are three main problems—security, peace, and economic development. All three could be most effectively tackled by the United Nations or, if the Soviet Union declines to take part, by those members of the U. N. which will take part.

The creation of a permanent U. N. police force, as proposed by Senator HUBERT HUMPHREY in the perceptive article reprinted on this page, has long been advocated by many students of the Middle East. If such a force could be established, with power to patrol borders in a kind of pilot open-skies operation, it would be the best possible guaranty that no nation need fear attack from outside. Should such a long forward step prove impossible, less ambitious ones would help—for example, a reaffirmation of existing U. N. obligations to aid victims of aggression, and an elaboration of U. N. observation techniques.

In whatever form, a distinct assertion of collective responsibility under the U. N. for restraining acts of international violence would pave the way for ending a dangerous arms race.

But armed truce is not enough. The Middle East needs a permanent settlement of its most divisive conflict, the Israeli-Arab war. Israel is here to stay, and its right to live must be firmly guaranteed by the U. N., which created it. The Arab lands, in turn, are entitled to be guaranteed against forcible expansion of Israel's frontiers, and they are entitled to be relieved of the festering Arab refugee problem.

The political obstacles to settlement are enormous; perhaps only a beginning can now be made. But if the summit powers in concert with the U. N. forcefully insisted on a settlement, at least the beginning would be possible.

Economic development, at bottom, is the key to the whole problem. Just as it was Secretary Dulles' withdrawal of the Aswan Dam loan which touched off the Suez crisis and the whole train of ugly consequences that followed, so a bold and effective plan of developing Middle East resources for the benefit of Middle East people could open the door to political stability and peace.

A United Nations regional economic agency, financed jointly by the United States, the

Soviet Union, and other powers in relation to their ability, would be a potent force and a model for other regional projects. It ought, in justice, to be partially supported by a portion of the oil revenues which now accrue to private companies or bloated feudalism. It could undertake or underwrite such great enterprises as the Aswan Dam, the Jordan River development, the reclamation of waste lands along the Tigris and Euphrates. And it could engage in countless smaller but no less necessary works for fighting poverty and helping backward peoples in their drive to emerge into the 20th century.

Is western leadership capable of bringing forth such a broad-ranging, constructive, collective plan? This much we know: a problem which twice within 2 years has brought the whole world to the verge of war urgently demands heroic measures to prevent a third crisis.

#### THE DISEASE PROBLEMS OF THE MIDDLE EAST: OUR HELP IS NEEDED

Mr. HUMPHREY. Mr. President, let me now direct my attention to another approach to the problems of the Middle East—one which does not encompass the use of arms or even great, massive economic aid or high-level diplomacy. I wish to speak on the human problems of the Middle East. Our help is needed.

Mr. President, for years the underdeveloped Middle East has needed medicine, not machine guns. It has needed schools, not soldiers. It has needed food, not foxholes. Medicine, schools, and food are the three ingredients necessary to battle the "Four Horsemen."

Today we have marines stationed in the Middle East. But Armed Forces will not be able to cure disease, or instruct minds, or fill empty stomachs, either in the Middle East or anywhere else.

For a long time, some of us have been contending that—

First. Most of the critical areas of the world do not need American arms, guns, and tanks as much as they need American helping hands.

Second. If America will put more of her international effort into constructive channels—such as medicine, schooling, and food—we shall have far more of an impact on the minds of the underdeveloped countries of the world than we shall if we proceed by way of the military type of aid which we tend to extend.

Third. Conditions among the average people in the underdeveloped countries are so bad that they will tend to accept almost any form of quick, dramatic salvation. The tragic truth, which we must realize, is that while the living standard of the people in the industrial nations is rising, that of the people in underdeveloped countries is actually deteriorating.

Mr. President, interestingly enough, while President Nasser, of the United Arab Republic, continues with his so-called diplomatic victories, the truth is that the standard of living of his people is abysmally low; in fact, there has been little or no improvement. I have heard that there has actually been a drop in the per capita income of the people of Egypt. What a pity. What a shame. These people desperately need a more constructive use of their meager resources. Indeed, Mr. President, the

people of all the states in the Middle East need much more concentrated efforts on the social and economic problems which beset that area.

I note that the Government of Egypt has been sending literally hundreds and thousands of technicians and teachers into the Middle East countries. Let me warn my colleagues about some of the possibilities of the future.

First, Jordan is in dire trouble. I predict that Jordan may well not last out the year as a nation-state. Jordan can live only by very generous and, in fact, massive economic grants from other countries.

Second, Egypt and Nasser have been sending hundreds of technicians and teachers into the sheikdom of Kuwait, one of the rich oil sheikdoms of the Middle East. Thus, we see almost 1,000 technicians and teachers of Egyptian background in a sheikdom which has 200,000 people. That kind of attention to the educational needs of the people and to the technical requirements of the area is bound to bring that country closer and closer into the sphere of influence of the United Arab Republic. The same thing is true of the sheikdom of Qatar and the sheikdom of Bahrain. When we see these rich oil areas being in a sense infiltrated, not by arms or military forces, but by technicians and teachers, we realize that the impact of the technicians and teachers and the Voice of Radio Cairo is destined to bring these areas into closer and closer relationships with the United Arab Republic, with the Government of Nasser, and ultimately under his domination.

Something can be done about this matter; but it cannot be done by the sending of tanks, guns, and soldiers. Instead, it can be done by meeting the needs of these people, by sending to them teachers, medicine, food, social planning. It will not be achieved by sending military missions or by trying to bolster up old, feudalistic governing groups which will be rubbed out of existence as surely as the dawn follows the night. Today, there is a tide of events; a revolution is under way. No amount of patching up or firming up old, feudalistic, monarchical, or aristocratic systems will succeed; and we shall be well advised if we kept that fact in mind.

Mr. President, I have said that conditions among the average people in the countries of the Middle East are so bad that these people will tend to accept almost any form of quick, dramatic salvation. Therein lies the appeal of the Communists and of the Nasser type of imperialism—namely, the promise of quick results.

This situation means that we must have a program which at least will lend itself to constructive results.

The Middle East is not only a hotbed of intrigue, conspiracy, and East-West conflict; the Middle East is also a hotbed of human disease and suffering, with such conditions, it is impossible to have peace; the world's peace is bound to be threatened. The people of these countries are emotional and explosive in temperament; and with such problems ever present and, indeed, becoming aggra-



vated, there is an inevitable trend toward trouble.

Let the American people ask themselves, about the ragged rioters—the pro-Nasser demonstrators—in the streets of Tripoli, Lebanon, or Beirut, or in the streets of Baghdad, Iraq, or Amman, Jordan, “Exactly who are these rioters—these riflemen and hand grenade throwers? What is their condition in life? What, if any, possessions do they have in the world?”

Let the American people also ask, “How well, physically, are these people and their families?”

If we ask ourselves the latter question, we shall find that in these Middle East countries we are dealing with populations which contain a fantastically large number of sick and diseased persons.

It is not surprising that in bodies so often racked with pain and disease, judgments may be distorted, and demagoguery may be heeded and followed.

Mr. President, I have had prepared a series of 5 brief statements describing the basic health problems in 5 of the countries of the Middle East—Egypt and Syria—now forming the United Arab Republic—Iraq, Lebanon, and Jordan. These statements are not intended to be a complete outline of the health problems of these countries. Actually, the statements have been hastily prepared since the outbreak of the Lebanon crisis; and the available health statistics on these and other underdeveloped countries are woefully deficient. But they do reveal a tragic picture.

For example, the very eyes with which the people of Egypt or the people of Iraq or other lands view man's problems are, in literally hundreds of thousands of cases, racked with the disease of trachoma, which can lead to blindness. In some places—for instance in some villages in Egypt—the trachoma rate is over 90 percent. So we would do well to remind the peoples of Egypt and their leaders that we are prepared to wage war against the disease of trachoma, and that our facilities for waging war against disease are even more efficient than are our capacity and our facilities to maintain military defenses and to wage war, if need be, in behalf of our own freedom.

Approximately 1 out of every 5 persons in Iraq is suffering from trachoma or some other form of eye disease. In those two countries, the rate of malnutrition is appalling. Well over 50 percent of the entire population is underfed, the victims of hunger and malnutrition.

Egypt and Iraq are plagued by the snail-borne disease known as schistosomiasis, which goes on from generation to generation, racking and debilitating whole segments of the population.

In Syria, malaria is still a long way from conquest, with more than three-quarters of a million persons living in malarious areas.

In some areas of Jordan, 9 out of every 10 people are infected with intestinal worms and intestinal diseases.

I have seen those people, and I want to say that never in my life did I experience such emotional pain as when I saw the hunger, the privation, and the

disease of literally hundreds of thousands of people.

Is it any wonder they are in rebellion? Is it any wonder they are emotional? Is it any wonder they follow demagogues? Is it any wonder they kill? What do they have to live for? Our answer, all too often, has been more guns for ruling groups, rather than more food, medicine, teachers, and books for the people.

It is not as if we had no way of doing these things. We can work through the United Nations. We can work through the International Cooperation Administration. We can work through the World Health Organization. We can work through the Food and Agriculture Organization. We can work through these great international organizations and give leadership and counsel against man's ancient enemies of ignorance, poverty, and disease. We can work through our great philanthropic foundations, our colleges, our churches, our many private groups.

There is no doubt that we must maintain our armed strength in the current worldwide struggle. We would do well to maintain our shield of strength so that there could be no doubt as to our ability to defend ourselves and our allies; but we do not need to continuously shout about it. Just do it—a little less talk and a little more doing. But this is, and can only be, a negative aspect of our foreign policy. Unfortunately, the administration has relied too much on this defensive approach. It has failed to comprehend that reliance on such a military policy cannot in the long run prove successful. The United States must gain the offensive in the cold war. It must demonstrate that Americans genuinely and unselfishly are interested in helping to alleviate deprivation and suffering of hundreds of millions in the underdeveloped nations of the world.

There is only one way to win the cold war in those areas, and that is with a warm heart and a clear mind. I might add, a clear and clean mind—a mind that states our objectives and then represents a will to fulfill those objectives.

I hope no one will ever again say we cannot afford to do the right thing. The cost of our present operations in Lebanon, the cost of our military assistance under the Eisenhower doctrine in the Middle East, would be far more than the cost of an effective program against disease in the entire Middle East, or mobilizing the great pharmaceutical and medical resources of the United States and the free world for an all-out frontal attack upon the problems of disease which rack the minds and bodies of the people.

When are we going to start to act like this? When are we going to demonstrate to the world that our main interest is people, and not power; that our main interest is human welfare, and not just natural resources like oil? We refuse to really use the strength we have. No wonder we are in trouble. No wonder Khrushchev enjoys batting us from one end of the world to the other with his propaganda, because we play the Communists' game of power politics,

when indeed we should be acting like ourselves, and being the compassionate, generous, kindly, considerate Americans that we are, and letting the banner of righteousness and doing the right thing be our flag and our shield.

I am convinced that such is an effective course; I know our present course is not. When one runs up a street and finds he is at a dead end, there is only one thing to do, unless he wants to be trapped, and that is to turn around and try to find another approach to his destination.

Therefore, from the highest offices and councils of this Republic, from every political and civil and lay leader, let there come the desire, and the expressed desire, to mobilize the great human resources of the Free World in an attack against ignorance, poverty, disease. Indeed, the cost will be little compared to the fantastic costs of arms in which we have indulged ourselves year after year.

Sometimes I wonder around here. We voted for a \$40 billion defense budget last week in less than 5 hours of debate. Yet we have argued for days about \$1 billion of food under Public Law 480. Why, we have argued for hours about the extent to which we are willing to utilize our surplus foods to relieve human suffering. What is wrong with us? Why is it Congress can pass a \$40 billion defense budget with a unanimous vote in less than a day, and yet we argue for hours, and sometimes for weeks, over a few million dollars for food and medicine and education? I tell you, Mr. President, this only spells disaster and doom. We are playing into the Communists' hands. We are acting like they act. We are using the tools they use. Mr. President, we cannot win that way. The only way to act is to be one's self, and not to be made over. That is why I said earlier today I wanted the President to be firm when he replies to Khrushchev. There is no need to be vindictive; no need to be vituperative; there is a need only to be right; to be firm; to be ourselves. In that way we cannot help but mobilize tremendous popular support. As the great Abraham Lincoln said so beautifully and profoundly: “With malice toward none; with charity for all; but with firmness in the right as God gives to see the right.”

Unfortunately, due to our sterile and unimaginative policies, all too many of the underdeveloped countries look upon us as imperialists, rather than as friends who wish to help in their struggle for freedom, coupled with material gains.

America today is known for one phrase—massive retaliation—meaning bombs, destruction, and war. I wonder why we have not been willing to have established as our slogan another phrase like “Food for Freedom,” or “Medicine for Peace,” or, even as the President said in his state of the Union message, “The Works of Peace”? Why not make those our slogans? The world knows we have H-bombs. The ones who are really concerned know it. The Soviet Union knows it. As I said earlier, let us make sure our shield of strength is there, but let us not constantly talk about it. Let us instead

advocate what we really want in this world, namely, a better place in which to live.

That such a false image of our great country exists is indeed tragic. We cannot undo the mistakes and omissions which led up to this present plight, but it is not yet too late to put our knowledge and our resources to work to give a helping hand—with no strings attached—to the underdeveloped countries of the world, and, what would be better, to the people in need.

The mistakes of the past cannot be undone, but there may still be time to develop a new relationship with the peoples of the Middle East and other parts of the world. It should be a relationship expressed in terms of food, of education, of jobs, and of medical care for human welfare.

Mr. President, diseased bodies and empty stomachs produce warped minds, and indeed bitter hearts. We cannot find peace in a world which is afflicted with diseased bodies, empty stomachs, warped minds and bitter hearts. These conditions are not conducive to reasoned political decisions. The sooner we begin to attack the fantastic problems of hunger and illness the sooner we are going to see sound political development.

It is not only, in my mind, un-Christian and immoral, but it is positively dangerous to remain smugly content that we are the best-fed, best-housed, and healthiest people in the world. Until we recognize the brute facts of suffering among other peoples, and put our tremendous resources of food and medicine to work for others, we are simply going to find ourselves ever more isolated in a rising sea of hostility. All the military pacts and agreements in the world will not build a secure future for the United States. In fact, if we continue our policy of virtual reliance on paper agreements, and ignoring the conditions and the hopes of the people of the have-not areas, we are heading for certain disaster, in our lifetime.

Certainly one basic objective of a new Middle East policy must be a determined assault—preferably through international action—on hunger and disease of all kinds. If there is a communications breakdown between the peoples of the West and the peoples of the Middle East, then let us restore communications with the universal language of strengthening food and healing medicine.

In conclusion, Mr. President, may I reiterate my basic theme. In this age of conflict, as an old order is passing—and it is—and a new one is struggling to be born, the most important tools we possess are not guns and bombs, not Marines in Lebanon, but rather, Mr. President, medicine, food, science, education, and our tradition of freedom and democracy, our self-government, our Constitution and its Bill of Rights and all it means to the world. Yes, our assets include medicine from our great pharmaceutical establishments, as well as doctors and nurses and technicians. Our assets include the food of our productive agriculture, which can be used even more as an instrument of foreign policy. In-

deed, among our greatest assets are teachers and education.

I wonder, Mr. President, whatever happened to that great suggestion of President Eisenhower at Baylor University several years ago? Do Senators remember that. Do Senators remember the headlines of the papers, "President Proposes Trade Schools and Vocational Schools All Over the World." Oh, what a wonderful idea. It was a great speech and a noble thought. But, Mr. President, there has been no action. The word was glorious; the deed was meaningless. The promise was given, the fulfillment is denied.

I submit, Mr. President, we would be better off in some areas of the world if we had built trade schools and vocational schools and if we had put up community clinics. I have suggested that we should have mobile clinics equipped with doctors, nurses, technicians, and the modern wonder drugs, to move into these vast areas of the underdeveloped countries. Think what they would mean in Morocco, Mr. President, a country friendly to ours today, where Egyptian teachers and doctors are beginning to move in. Think what this could mean in the country of Tunisia, where a true friend of the West, Mr. Bourguiba, the Prime Minister, stands up to speak for us day after day. Think what it could mean if we had great mobile clinics which could combat trachoma in Jordan, Iraq, Syria and Saudi Arabia. It could be done. In fact, I sometimes wonder why our Government does not call upon the pharmaceutical manufacturers to give of their surplus pharmaceuticals for such a noble cause. But we always think in terms of military aid. We can spend millions of dollars to move tanks to Lebanon. But, Mr. President, I ask the question, how much medicine have we moved to the sick? I ask the question, how many teachers have we sent to the illiterate? I ask the question, how much of our abundance of food have we given to the hungry?

Not enough—indeed, not enough. But these are the tools which we must use. These are the wonder drugs, so to speak—the food, the teachers, the technicians, and the schools—the real "wonder drugs" to cure some of man's diseases; diseases of body, of mind, of spirit, and of will. These are the wonder drugs we can use to combat the virus of Communist totalitarianism.

Mr. President, even if there were no cold war, even if this fellow Khrushchev had never been born, even if Stalin had never been heard of, even if Lenin were nothing but a fiction and a myth, even if there were no Communists, I still would say what I have suggested ought to be done. These are the tools which we as a humanitarian, freedom-loving, and democratic country should offer the world in the struggle against disease, poverty, and illiteracy.

I ask unanimous consent, Mr. President, that five statements summarizing the health problems in the Middle East be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

#### HEALTH PROBLEMS IN EGYPT

Egypt is one of the most disease-ridden countries in the world. Epidemics of louse-borne typhus occurred during both World Wars and sporadic outbreaks have been present since, with incidence highest during December to May and most severe outbreaks along the Nile Delta. Smallpox has not reached epidemic proportions since 1944, however, cases still occur and the threat of spread is present. The dysenteries are widespread in Egypt and sporadic outbreaks are known to occur. In some rural communities the prevalence of amebiasis has been determined to be as high as 94 percent in the population. A few cases of poliomyelitis occur each year and during World War II there were local outbreaks among troops stationed in Egypt. No cases of plague or cholera have been reported since 1947.

Schistosomiasis is the most important disease problem among the population in Egypt. The Nile Valley, including the side canals, is one of the main endemic centers with areas of hyperendemicity. Trachoma is another very prevalent disease among the majority of Egyptians. Morbidity statistics indicate a 90- to 100-percent rate in some areas.

Tuberculosis is still endemic in Egypt, although cases are declining slowly. Among the venereal diseases in Egypt, syphilis and gonorrhea are the most widely distributed. Other disease problems include cutaneous leishmaniasis which is particularly prevalent in the Nile Delta and near the Mediterranean coast, skin infections, and malaria which is mildly endemic in Egypt. Infectious hepatitis does not attain epidemic proportions in Egypt but cases are known to occur among civilians and among troops. Incidences of dengue fever and sandfly fever are sporadically reported from Egypt, but were encountered in great numbers by armies stationed there during World War II.

In 1951 (latest official report), there were 5,151 licensed physicians in Egypt, or a physician-population ratio of about 16.7 per 100,000. The majority of physicians live in Alexandria and Cairo, leaving much of the population without sufficient medical service.

#### HEALTH PROBLEMS IN IRAQ

The incidence of human disease in Iraq is known only in a general way. Such statistics as are published by the Bulletin of Infectious Diseases are incomplete; for example, only 2,616 cases of all infectious diseases other than childhood diseases during the month of March 1958 were reported for Iraq with a population of more than 4 million people. In spite of this lack of statistics, it is known that smallpox, diphtheria, and typhoid fever are Iraq's major diseases. The Government does have the facility as was demonstrated in the 1957 smallpox epidemic to deal with these diseases if given some outside assistance.

Iraq's major infectious disease problems are malaria, schistosomiasis, and trachoma. Approximately 1 of every 5 persons suffer from trachoma or some other form of eye disease. Between 1956 and 1955 the number of reported cases of malaria was reduced from 743,000 per year to 321,000. With the assistance of UNICEF, WHO, and USOM, malaria is now confined mainly to the highlands of the north and northeast and scattered foci in the south along the Shatt-al-Arab River.

Schistosomiasis is increasing in incidence with the construction of irrigation systems essential for agricultural development. It occurs in isolated foci in south and central Iraq where the incidence varies from 4 percent to 63 percent. An effective program to control this disease has not been developed by the Government.



Community and individual sanitation is the most difficult health problem Iraq has to face. Limited studies by USOM personnel indicate that enteric parasitism due to the lack of adequate water supplies and sewage disposal facilities is universal. Among the principal causative organisms are *Ankylostoma duodenale*, 54.8 percent, *Entamoeba histolytica*, 20 percent, *Ascaris lumbricoides*, 19 percent. Infection with more than one of these organisms is not unusual. A considerable number of infant deaths estimated at 350 per thousand are due to infantile diarrhea and tetanus.

Iraq is one of the few foci of bejel. This treponematoses is endemic among the nomadic tribes. Limited BCG vaccine projects are carried on for the control of tuberculosis, incidence of which has been previously reported high. Surveys by USOM personnel have not substantiated these reports.

To deal with its health problems, Iraq has 703 physicians, 2 veterinarians, 506 graduate nurses, 387 nongraduate nurses, 18 nongraduate midwives, 87 health visitors, 176 sanitarians, 144 pharmacists, 38 dentists, and 364 technicians. It has one medical school located at the University of Baghdad. There are 5,000 hospital beds with a majority concentrated in Baghdad; however the capital city of each LIWA (province) has a general hospital.

#### HEALTH PROBLEMS IN SYRIA

The most prominent disease problems in Syria are malaria, trachoma, and the dysenteries. Malaria is endemic or hyperendemic in all parts of the country with peak morbidity in July and August, approximately three-fourths of a million persons living in malarious areas; 85,000 cases are reported annually.

During 1953, 68,000 persons were treated for trachoma and other eye infections in clinical centers operated by the Government. This represents 10 percent of the population treated for all infectious diseases.

Syria's indifference toward the sanitary way of life is a basic cause for its high prevalence of dysentery and filth-borne diseases. More than 600 cases of typhoid are reported annually. Hookworm disease and other parasitic infections are endemic with foci mainly along the banks of rivers and irrigation ditches. Of significance is the increasing number of foci of schistosomiasis. Venereal treponematoses and gonorrhea are not serious health problems when compared with the nonvenereal spirochetal disease, bejel. Approximately 25 percent of all children in rural areas are infected. With the assistance of the World Health Organization control of this problem is underway.

More than one-fourth of the population of Syria has been inoculated against tuberculosis.

Other diseases endemic in Syria but not occurring in epidemic populations are diphtheria, poliomyelitis, rabies, sandfly fever, typhus, and leishmaniasis. Smallpox is cyclic in occurrence.

In 1954 there were 880 doctors, 169 dentists, 222 pharmacists, 60 nurses, and 240 graduate midwives. There is a small medical school at the Syrian University in Damascus which trains physicians, dentists, and nursing personnel. There are approximately 5,300 hospital beds in 78 hospitals in Syria. In addition there are 96 government dispensaries. A central laboratory in Damascus prepares vaccines; principally, those of typhoid, cholera, smallpox, and rabies.

#### HEALTH PROBLEMS IN JORDAN

For the most part, Jordan is free from the major epidemic diseases such as cholera, plague, yellow fever, smallpox and typhus. The chief disease problem is malaria, with over half the population being estimated to reside in malarious areas. Within the past 3 years, UNRWA has successfully demon-

strated in the Jordan-Yarmouk Valleys that malaria transmission can be stopped. A malaria eradication program, under the combined auspices of WHO, UNICEF, UNRWA, and ICA was scheduled to begin in April 1958.

Second in importance are the endemic infectious diseases resulting from poor environmental sanitation and overcrowding, such as enteric diseases and tuberculosis. Considerable opportunity also exists for contamination and for transmission of bacterial, viral and parasitic diseases. However, a well-defined program of health and sanitation is underway, and measures for increasing the protection of water supplies, and for garbage and sewage disposal were undertaken during 1955.

Disease statistics in Jordan, as in other Middle Eastern countries, provide only a general indication of the problem areas and their relative importance. Although reporting of certain diseases is required by the Government, the response is spotty and erratic, and diagnosis is often uncertain. In addition, the existence of large nomadic communities (roughly equivalent to 10 percent of the population) increases the possibility of the introduction of serious infections from neighboring areas.

Typhoid fever, transmitted by contaminated food and water and by carriers, is endemic, and 1,098 cases (17 deaths) were reported in 1956, an increase of 243 cases over 1954. Outbreaks occur throughout the year, especially from June to December. One hundred forty-three cases of paratyphoid fever were also reported, with paratyphoid A cases being the most frequently hospitalized, and paratyphoid B being the more widely distributed. Localized sporadic outbreaks of diphtheria occur from time to time, the most recent in November 1957 when 200 cases were recorded.

Amebic and bacillary dysentery are widespread, the amebic form appearing in midsummer, and the bacillary (with *Shigella dysenteriae* predominating) in May and November. One thousand eight hundred and eighty-two cases with 11 deaths were recorded in 1956.

Much of the population carry intestinal worms. Fully 90 percent in some areas are infested with *Ascaris*, and trichuriasis and enterobiasis are also common. The beef tapeworm (*Taenia Saginata*) is observed in all parts of the country, while the pork tapeworm is restricted to Christian communities. Neither schistosomiasis nor hookworm infections are indigenous.

There is a shortage of medical and public health personnel. On January 1, 1957, there was approximately 1 physician for every 7,000 Jordanians, and only 100 trained nurses in the country. There are no facilities for training physicians or dentists, and 1 school of nursing (established in 1953).

As of January 1, 1957, Jordan's civilian hospital facilities consisted of 41 hospitals with 2,642 beds or about 1 bed for every 564 Jordanians. Of these, 15 were government hospitals (973 beds) and 26 were private (1,669 beds).

#### HEALTH PROBLEMS IN LEBANON

Serious outbreaks of communicable diseases such as the enteric infections, smallpox and poliomyelitis occur in Lebanon and are known to reach epidemic proportions. In 1956, 462 cases or 30 percent of all diseases reported were attributed to typhoid and paratyphoid fever and 131 cases to acute bacillary and amebic dysenteries. It has been estimated that not more than 3 percent of the actual disease incidence is reported. A serious outbreak of smallpox occurred during the latter part of 1956 principally in the slum areas of Beirut. From December 1956 to February 1957 a total of 192 cases and 46 deaths were reported. Although no cases of plague or cholera have

been reported since World War II, Lebanon is proximate to India and north Africa where plague occurs and the possibility of an outbreak is ever-present.

Malaria is probably the most prevalent disease in Lebanon. No major outbreak has occurred since 1943-44 but it still exists in most parts of the country and under exceptional circumstances a severe outbreak might occur. The number of cases reported are too unreliable to be significant.

Other serious diseases known to occur in Lebanon include trachoma with the incidence rate estimated to be somewhere between 15 and 71 percent depending on locality, skin diseases of which scabies and pediculosis are common, diphtheria, sandfly fever which is particularly prevalent during July and August, the helminthic infections, streptococcal infections, rabies and typhus. There is a considerable incidence of all the venereal diseases. Although case figures are not available it is inferred from estimates that syphilis and gonorrhea occur at moderate rates.

Lebanon has an adequate number of well-trained medical personnel. However, their maldistribution leaves many rural areas with an acute shortage. In 1952 Lebanon had 1,049 practicing physicians or 1 doctor per 1,290 inhabitants.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### PROTECTION OF FISH AND WILDLIFE IN CONNECTION WITH THE BUILDING OF DAMS

Mr. MORSE. Mr. President, on Friday morning, I noticed in the CONGRESSIONAL RECORD that S. 3185 had been scheduled for Senate consideration. This is a bill that would require approval of licenses for dams by the Secretary of the Interior in terms of their effect upon fish and wildlife resources before they could be issued by the Federal Power Commission.

S. 3185 deals with the highly controversial issue of fish versus power. Although the Interstate Commerce Committee, in reporting the bill, has made some changes in it, upon checking with some of the people who had registered strong opposition to this measure when it was introduced, I found that they were unaware that it had been amended at all; they had not heard of the amendments of the Interstate Commerce Committee; they were not familiar with the new language of the bill and when advised of it, they continued to register their opposition.

As amended, S. 3185 would amend the Federal Power Act by providing:

That no license affecting fish and wildlife resources shall be issued until the plans of the dam or other structures affecting such fish and wildlife resources have been approved by the Secretary of the Interior.

Both public and private power groups have felt that to give priority, and essentially a veto power, to the fish and game considerations involved in a proposed

project is entirely unwarranted. When I got in touch with some of their representatives here in Washington about the bill as reported to the committee, and advised them of the language that had been approved by the Interstate Commerce Committee, they told me that they felt it did not remove their objections at all, though of course they had not studied the changes.

The Oregon State Water Board had also notified me of its objections to the bill when it was introduced, and Saturday I wired them for their views on the revised version. They were also unfamiliar with the new language, but have continued to oppose it, as not relieving their objection to the original version. I ask to have appear at this point the replies I have received from the chairman of the Oregon State Water Board; from Gus Norwood, representing the Northwest Public Power Association; Ken Billington, executive secretary of the Washington Public Utility Districts Association; and Alex Radin, general manager of the American Public Power Association.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

SALEM, OREG., August 4, 1958.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

While revision of S. 3185 has not been considered by entire State water resources board, it is my own opinion that revision deleting consultation with Fish and Wildlife Service does not meet board's basic objection to this bill.

JOHN B. DAVIS,  
Chairman.

VANCOUVER, WASH., August 2, 1958.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

In view of the passage of the Coordination Act, we consider best action on S. 3185 is indefinite postponement. Our second choice would be amendment by deleting the word "approved" and substituting "studied and recommendation submitted thereon."

Gus NORWOOD.

WASHINGTON, D. C., August 4, 1958.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

Strongly urge you vote against S. 3185, by Senator NEUBERGER. This is highly controversial legislation which we are convinced is not in best interests of comprehensive natural resources development. This bill places undue emphasis on one aspect of resource development—fish and wildlife—and permits interests of this aspect to block overall development program. This bill also strikes at very roots of independent status of important regulatory agency. We therefore urge you to vote against S. 3185.

KEN BILLINGTON,  
Executive Secretary, Washington  
Public Utility Districts Association.

WASHINGTON, D. C.

Hon. WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

American Public Power Association strongly objects to S. 3185, by Senator NEUBERGER, due for consideration by Senate today. This bill has effect of giving Fish and Wildlife Service veto power over issuance of licenses for hydroelectric power projects. We have no objections to Fish and Wildlife Service be-

ing consulted about such licenses, but S. 3185 gives unprecedented power to single agency and could wreck entire hydro program in some sections of country. Strongly urge you to oppose this bill.

ALEX RADIN,  
General Manager.

Mr. MORSE. It is well known that this bill is aimed at the licensing of dams in the Pacific Northwest. However, it would control every application made to the FPC for a license anywhere in the country. Therefore I say to my colleagues that every State has a great interest in the bill. Every Senator should take an interest in the bill.

I suppose it is also well known that it is aimed even more specifically at the possibility of a dam being built at the Nez Perce site on the Snake River below the confluence of the Snake and Salmon Rivers. Until the fish passage problem involved with Nez Perce is solved, its construction would cut off the salmon from their main spawning ground in the Salmon River. However, the contemplated Nez Perce Dam could be a public project, and if so, it would be authorized by Congress and not the Federal Power Commission. In fact, nothing in this bill would be controlling for Federal projects. But it would be for projects contemplated by private utilities, by public-utility districts, municipalities, or any other non-Federal body.

Thus, it does not necessarily affect the very project at which it is aimed.

The senior Senator from Oregon is well aware of the fact that there are conservation groups strongly in favor of the bill, who apparently are opposed to the building of any dam where, in any degree whatsoever, fish and wildlife interests might be affected.

My position on Nez Perce has been crystal clear from the beginning. I discussed the Nez Perce issue in my 1956 campaign in the State of Oregon; I have discussed it on the floor of the Senate. I repeat today that I am opposed to the building of a Nez Perce Dam until adequate time has passed for full consideration of the fish problem, and until every effort has been made to solve the fish problem. I have followed closely the developments in regard to the protection of fish in the building of dams. Who can say that this very serious fish problem at the Nez Perce site will ever be resolved to the satisfaction of all concerned? I certainly cannot.

However, I am of the opinion that the research being done on fish culture and on the building of dams and the building and use of devices which will protect fish is such that I sincerely believe the fish problem at Nez Perce will in due course of time be solved.

Therefore, I repeat what I have said in Oregon, in the midst of a political campaign and what I have heretofore said on the floor of the Senate—that I do not favor the building of the Nez Perce Dam at this time.

Oh, I know, Mr. President, that does not satisfy some conservationists, because they would like to have the senior Senator from Oregon say that he will never favor the building of the Nez Perce Dam, no matter what the future condi-

tions may be. That kind of commitment I will not make. Why? It is because statesmanship calls always for the balancing of interests with the obligation of the officeholder to protect the greatest public good.

Who are we, in the year 1958, to say that we can determine for future generations the course of action which ought to be followed at Nez Perce? I do not know what unforeseen conditions may develop with regard to the power and other economic needs of my country.

Who can say what changes in environmental conditions may take place in the Pacific Northwest, to the end that sometime in the future we may have to choose between fish, on the one hand, and a greater public interest, on the other? I say most respectfully to my friends within the conservation groups that I do not believe they serve well the conservation interests of the Nation by taking the position that they ought to receive from an officeholder a commitment in perpetuity in regard to Nez Perce or any other project. Such a commitment I will not give. However, I shall work with conservationists, as I have always worked with them, in doing everything possible to resolve the fish problem at Nez Perce, and to delay the construction of a dam at Nez Perce until every possible opportunity has been given for the solution of the fish problem. That is the position of the senior Senator from Oregon.

Mr. President, I am satisfied that when the people of my State, including the conservationists, take the time to study the facts and the importance of the subject to the future economic development of my State a majority of them will share my point of view.

My view on the bill, and in fact on the whole subject of fish versus power is simply that both vitally affect the public interest. In the Northwest, our best and cheapest source of power is that of our rivers; only by harnessing them can we hope to develop economically.

But at present, our great industry and one of the fastest growing ones, is that of sports and recreation. This industry is now of prime economic importance to my own State.

I think the interests of fish and power, however, are not mutually exclusive, and that is the position I have taken with both the power advocates who would dam up every trickle of water, and with the conservationists who would never permit a dam to be built that would harm a scale of a single fish. The public interest lies in finding the greatest advantage for both. But we must find where the public interest lies river basin by river basin and project by project, and not foreclose in advance one consideration in favor of another. Both groups know, for example, that had the Federal dam at Hells Canyon been authorized, where the fish problem is not serious, there would not now be the pressure to put dams at sites where the fish problem is serious.

Because the public interest is affected by both values and does not lie entirely with one or the other, I have been inclined to oppose S. 3185, although I am in sympathy with the objective of protect-



ing fish runs from extermination by the damming of streams. That is why I regard Nez Perce as not feasible at this time. The fish problem there is being worked on, and it should continue to be worked on before the dam is seriously considered for construction.

In order to give greater emphasis to fish run problems in the licensing of projects, I have therefore drafted a substitute amendment which I shall offer at such time as S. 3185 may be taken up by the Senate. It would require the submission of applications to the Interior Department for examination in terms of their effect upon fish and wildlife; no license could be issued until the recommendations are received from the Department; the Federal Power Commission would then be required to give consideration to those recommendations before issuing the licenses; and section 10 (a) of the Federal Power Act would be amended to add fish and wildlife conservation to the public benefits set forth to guide the Commission in issuing licenses. The change in section 10 (a) was proposed by Theodore Stevens, Assistant to Secretary Seaton and legislative counsel to the Interior Department, during the hearings on S. 3185.

I have discussed this language with representatives of the National Wildlife Federation who favored the bill in its original form, and have been advised that they do not feel this language meets the problem, in terms of their interest in it. They do not support it, in other words. So I do not contend for a moment that my substitute renders the bill noncontroversial. But in my own opinion, it is a more reasonable approach than to forbid flatly the construction of any non-Federal dam for reason of fish passage problems. That is what would happen under the current version of the bill because that is the only basis on which the Secretary of Interior is required to approve applications.

My amendment would require, however, that the Federal Power Commission give consideration to this aspect of the problem before issuing any such license. In my judgment, that is as far as we should go.

This amendment would also fortify the changes in the Wildlife Resources Coordination and Watershed and Flood Prevention Acts which the Senate passed on July 31.

In that bill, H. R. 13138, all agencies of the Government engaged in construction of dams and other structures affecting waterways would consult with the Fish and Wildlife Service on the effect of such structures upon fish and wildlife resources before going ahead with the project.

Thus, it brings fish and wildlife conservation in as a public benefit that must be considered in public projects, and to that extent it is the legislation that would probably deal most directly with the situation at Nez Perce.

I think the same principle should be applied by law to non-Federal projects, and that is what my amendment would do. We are assured that it is largely carried out in practice by the Federal Power Commission and the Interior Department, but if Congress favors addi-

tion of fish and wildlife conservation to the public benefits standard used by the FPC for non-Federal projects, we should say so legislatively.

At the same time, this amendment would relieve my objection to giving an executive agency a veto over an arm of Congress, in this case, the Federal Power Commission. As written the bill is bad legislative practice in my opinion. I do not believe the Secretary of the Interior should, in effect, be given veto power over the Federal Trade Commission. Congress created the FPC to exercise the powers of Congress in a particular area of interstate activities. It is our job to spell out the policy we want it to follow and the standards we want it to use in the matters we have turned over to it. I think we should add to those standards by including recommendations from the Interior Department on fish and wildlife problems. But I do not believe Congress should invest the Interior Department with an authority that is now vested in the Federal Power Commission. I am aware that a veto power is now vested in the Corps of Engineers, which must approve applications in terms of their effect upon navigation.

That happened to be a defense provision originally. I am not so sure it was wise to write that provision into the Federal Power Act, but it would be worse to give other arms of the Government vetoes over the issuance of licenses. The age-old saying that two wrongs do not make a right is applicable in this instance, if we take the position that even for defense purposes it really was not necessary to give the Army Engineers the veto power which they were, in fact, given.

I am very much in favor of the language of my substitute. It is a desirable addition to existing law that I strongly favor on its merits, and not simply as an alternative to S. 3185 in its present form.

Mr. President, I send to the desk my amendment to S. 3185, and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. MORSE. Mr. President, with the understanding that I do not lose the floor, I yield to the Senator from Maryland [Mr. BEALL].

#### DISTRICT OF COLUMBIA CHARTER ACT

The Senate resumed the consideration of the bill (S. 1846) to provide for the District of Columbia an appointed governor and lieutenant governor, and an elected legislative assembly and nonvoting delegate to the House of Representatives.

Mr. BEALL. Mr. President, the bill is a home rule bill. This type of proposed legislation has been consistently supported by me, and I heartily endorse it now. This session of Congress has been, in my mind, quite unique. We have given, in effect, statehood to Alaska; we have put Hawaii on the threshold of this wonderful goal; yet for many years we have shunned some 850,000 residents of the District of Columbia. I was an advocate of statehood for Alaska. But—and

let us not forget it—this Congress has a greater duty to the residents of the District of Columbia.

There are pros and cons concerning the bill before us now, of which all Senators are well aware. The bill provides for what, in effect, is similar to a territorial form of government. This is a step in the direction of true home rule, and the mere fact that it is a compromise measure should in no way endanger its passage. The bill does not grant statehood, nor does it allow senatorial representation; but it does allow the citizens of the District of Columbia to govern themselves. If this bill becomes law, we can surely improve those portions of the Charter Act which are in some respects not the purest form of home rule.

Let us not forget that the crux of good legislation is in compromise, and let us not forget either that the arguments presented today may be meritorious, and the theory of each home rule advocate may be different; but, in fact, the senior Senator from Oregon [Mr. MORSE] and I are definitely in accord as to what is needed. Our arguments are not pointed to the end, but solidly toward the means of achieving a desirable end. The people who will suffer most by a debate on the method of achieving the end are those who want to help reach the goal. It seems to me a paradox that we should question how to give home rule to the residents of the District of Columbia and at the same time be completely in favor of home rule.

Let us secure the passage of this bill in a united manner, so as to insure that our differences of theory shall not be the means which will destroy the wonderful goal for which we are struggling and which the residents of the District of Columbia so richly deserve.

I urge each Member of this body wholeheartedly to support the bill, S. 1846.

#### CESSATION OF NUCLEAR BOMB TESTING

Mr. MORSE. Mr. President, on July 31, 1957, I submitted Senate Resolution 173 calling for prompt cessation of further testing of nuclear bombs by the United States, Great Britain, and the Soviet Union until an international committee of recognized scientists can at least determine the extent of the danger from radioactive fallout. No action was taken on that resolution, I regret to say, and yet it is gratifying to know that at least one objective of my resolution is being achieved. It is being achieved through the meeting of the world's technical experts at Geneva, Switzerland, where a workable system of detecting nuclear explosions has been devised. This is a very real and significant first step toward disarmament. It might quite well lead to constructive agreements on the cessation of nuclear-bomb testing at the forthcoming summit meeting.

In this connection, a noteworthy book, "Inspection for Disarmament," edited by Seymour Melman, and published by the Columbia University Press, was reviewed by my colleague in the House, Representative Charles O. Porter, of Oregon, in the July 27 edition of the

Washington Post and Times-Herald. Mr. Porter knows whereof he speaks, since he authored H. R. 8269, which provided for conditional suspension of nuclear testing, and recently witnessed nuclear tests at Eniwetok.

Because of the significance of the book and Mr. Porter's keen interpretation of it, I ask unanimous consent that the review be printed in the RECORD at this point in my remarks.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

#### INSPECTION FOR DISARMAMENT

One of the easiest ways for an individual political figure, a political party, or a nation to win applause is to advocate worldwide disarmament. Too often, such advocacy stops short after pious hopes have been uttered. This exchange of easy generalities has been going on so long that a great many observers tend to regard all disarmament efforts with extreme cynicism.

During the last 2 years, however, there has been an increasing tendency to take arms control more seriously. Throughout the world there is a growing recognition of the fact that civilization could not survive the horror and devastation which would be caused by a nuclear war. The comfort which some have found in the thought that somehow peace would be preserved by a "balance of terror" is being shaken as nuclear weapons technology spreads to more and more countries, and as the danger of "accidental war" grows more apparent.

A new determination to get down to the specifics is illustrated by the eight-nation scientific talks on methods of detecting nuclear explosions, now taking place at Geneva. It is also illustrated by the efforts of non-governmental groups with a research orientation, such as the National Planning Association, and a recent project of the Institute of War and Peace Studies at Columbia University, whose report, *Inspection for Disarmament*, has just been issued.

In this report, 20 scholars face up to the possibility of cheating on a disarmament treaty, and try to tell what kind of enforcement patrol is needed to make sure that all nations live up to their treaty obligations.

One of the contributors, E. J. Gumbel, describes the successful secret effort of the German general staff to build an army after World War I despite the prohibitions of the Versailles Treaty. Technicians consider the possibility of similar evasions in specific armament industries at the present time. Would it be possible to manufacture ballistic missiles under the noses of international inspectors? Would it be possible to conduct secret nuclear weapons tests in violation of a test ban? Would it be possible to test missiles in violation of a test ban? Is there any way to control biological warfare? Could weapons-grade nuclear material be produced without the knowledge of international inspectors? Would national budgets and account books give clues to clandestine arms production?

These and other questions are discussed with intelligence and imagination, and it is made abundantly clear that a thorough system of inspection and enforcement will be required if a disarmament treaty is to work effectively.

There also are lengthy reports of three evasion teams who sought ways to evade a series of imaginary arms-control provisions. Their successes and failures are worth close attention by those who are responsible for planning for disarmament. It is to be hoped that this demonstration of the complexity of the problem will inspire the administration to enlist a larger number of the ablest minds in the country to aid the Government in developing sound and workable plans for safeguarded disarmament.

#### FAMOUS FIVE SENATORS

Mr. KUCHEL. Mr. President, under date of July 28, 1958, Mr. Robert R. Kirsch, writing in the Los Angeles Times, devoted himself to a most interesting column concerning a book about five Members of the Senate whose likenesses a Senate committee unanimously agreed should adorn one of the rooms immediately adjacent to this Chamber.

Among the most accomplished of the members of the fourth estate who frequent the Press Gallery in our Capitol must be numbered Holmes Alexander. His nationally syndicated column appears 5 days a week in nearly a hundred of the leading newspapers of the country, and because of its accurate and objective coverage of the news in Washington, he is recognized by members of his profession and the reading public as one of the most astute reporters in Washington.

Mr. Alexander graduated from Princeton, and did postgraduate work at Trinity College, Cambridge University, England, and on returning to Maryland, became a State legislator. Very recently Mr. Alexander authored his eighth book, and, while I have not read all of the others, I have read enough of them to know that his latest book, "The Famous Five," is his best effort. Our distinguished colleague, the Senator from Massachusetts [Mr. KENNEDY], has written the foreword to this book, and in it he recognizes, along with the rest of us, the abilities of Holmes Alexander.

I ask unanimous consent that there be printed in the RECORD the article by Robert R. Kirsch in the Los Angeles Times for July 28 and a second article on the same subject which appeared in the Wall Street Journal for July 31.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

#### THE BOOK REPORT

(By Robert R. Kirsch)

Last year, among its other deliberations, the United States Senate took up a matter which on the surface looked like a simple job of interior decoration. There were five unfilled spaces on the walls of the Senate reception room. The question was which portraits should be hung there.

Senator JOHN KENNEDY proposed that the paintings of five outstanding Senators of the past be placed in the reception room. The issue then became more than a house-keeping chore: Which Senators would on the basis of their historical record be singled out from the many who served in that Chamber?

The decision of the select committee (aided in its deliberations by a group of more than 150 scholars) was unanimous, ranging across party lines and political philosophies. The five Senators chosen were Henry Clay, Daniel Webster, John C. Calhoun, Robert M. La Follette, Sr., and Robert A. Taft.

Washington Columnist Holmes Alexander, prompted by this action of the Senate, has written a vivid account of the lives, times and political qualities of these men in *The Famous Five* (Bookmailer: \$3.50). It is a volume well worth reading for its insights into the historical role of the Nation's upper Chamber.

It is no easy thing to achieve greatness in the Senate. An individual Senator may attain notoriety, attract attention or at one given moment reflect the temper of the Na-

tion. But the career of a man, the mark that he makes on history, depends on a combination of qualities which go beyond eloquence or the natural gift of the dramatic or a sense of the opportune.

All of the Senators chosen aspired to the Presidency. None of them achieved it, although some came very close and one, John C. Calhoun, served as Vice President under John Quincy Adams and Andrew Jackson. Their failure to get the big job is perhaps an index of the very qualities which made them great Senators.

In reading the lives of these men one is impressed as much by their differences as by their similarities. Some were eloquent (one Congressman said of Clay: "I have been warned by the legislature and threatened by the White House, but I'm damned if I can listen to Mr. Clay speak and believe him to be wrong."), so eloquent that their accomplishments in speaking have become a part of myth (as in Benet's "The Devil and Daniel Webster.")

Robert Taft's political enemies tried to depict him as a man without the capacity to win affection. They rammed through the "Taft Can't Win" slogan. But in Ohio and in the Senate where this shy, principled man met others face to face, their theories were confounded. His colleagues saw his true qualities: a good man who would not ride the tide, a hard-working, thoughtful man, a humane man.

Perhaps the most important quality of this book is Alexander's ability to see through the public mask of these men to the real faces beneath, their individuality, the alchemy of their personality.

We meet Clay as the skilled parliamentarian, the two-fisted drinker, but we also meet him as a man weighed down by his personal tragedy in losing 7 of his 11 children. We see Webster in his bombast and we see him in his true strength when he placed the Union above the Presidency. We see the machinery of ambition in La Follette's stubborn individuality.

All of this makes Alexander's volume an enticing reading experience and an illuminating chapter of American history in the tradition of Plutarch.

#### THE ALIENESS OF SENATORS' SENATORS

When the United States Senate voted to fill the five remaining places on the wall of the Senate reception room with portraits, it chose Henry Clay, Daniel Webster, John C. Calhoun, Robert M. La Follette, Sr., and Robert A. Taft.

These men, while they were not officially put forward as the "five greatest Senators of all time," had been chosen last year by a special committee as "Senators' Senators" the "old pros" of a great tradition.

Since they had many traits in common, Holmes Alexander has had a relatively easy time of it putting them into a single integrated book of biographical essays. "The Famous Five." All of them were unabashedly ambitious to become President, yet there was not one of them who would stoop to conquer. Mr. Alexander, a seasoned Washington political commentator, doubts that any one of them would have made a good President—"the talents of the legislator," he says, "are not necessarily those of the administrator."

One explanation for their Presidential aspirations, he suggests, is "that great men know no more about how to be happy than the rest of us." They should have been content to remain Senators—for a Senator, if he can realize the full potential of his office, is in a position to be a greater influence than any President, certainly in times of peace.

#### FIGHTING THE PRESIDENT

Judge the position of a Senator, as exemplified in the careers of "the famous five." None of Mr. Alexander's heroes ever cared a fig for the opinions expressed at the



White House end of Pennsylvania Avenue, if the issue were one of real importance.

Although Henry Clay began his political life as a Democrat, he couldn't stomach Andrew Jackson—and it was not long before he had forged his own party, that of the Whigs. Daniel Webster went his own way without regard to the military heroes—Old Hickory (Andrew Jackson), Old Tippecanoe (William Henry Harrison), Old Rough and Ready (Zachary Taylor), and Old Fuss and Feathers (Winfield Scott)—who were forever barring his road to the White House.

Calhoun broke with Jackson on the nullification—or, more accurately, the "interposition"—issue, and when Jackson went out of office in 1837 he muttered his regrets that he hadn't hanged Calhoun as a traitor. La Follette made a career out of fighting White House incumbents regardless of their philosophical commitments, from William H. Taft (conservative) through Wilson (liberal) to Harding (standpatter). As for Senator Robert Taft, his last major political utterance (written in a Cincinnati hospital and read to an audience by his son) was at complete odds with the foreign policy of the Eisenhower administration.

The point, as it clearly emerges from Mr. Alexander's book, is that great Senators go their own way in striving for things outside their personal lives. They can do it and get away with it, for the staggered elections and the 6-year senatorial term of office ordinarily exempt them from dependence on Presidential support and patronage. A President may try to purge an unruly Senator—but the strong Senator often lives to purge the President, or at least his influence in the party.

Each one of the "famous five" stood for something definite, even in moments of apparent compromise. Clay was a protectionist, but if it were a matter of preserving the union he was prepared to yield ground on tariff schedules. Webster was antislavery, but he supported the Compromise of 1850 because it seemed a small price to pay to keep the South from seceding. As he tried to explain to his abolitionist constituents, nature itself would keep California and New Mexico from becoming slave States, so why anger the South by making an issue to the matter unnecessarily.

Calhoun, Taft, and La Follette were less able parliamentarians than either Clay or Webster, both of whom knew how to take advantage of the rules of the game to make things come out their way. But what Calhoun, Taft, and La Follette did not possess in suppleness they more than made up for in pertinacity. Mr. Alexander does not stress the point, but Calhoun is in the great line of political philosophers. His disquisition on government is the ablest statement of the checks-and-balances philosophy of pluralistic rule that has even been written. (If his advice had been followed, England would not have emasculated the House of Lords, and the United States would never have permitted the direct election of Senators.)

Taft had an absolutely sure grasp on the philosophy of freedom, and if he bewildered some of his followers by opposing the Nuremberg trials and Truman's attempt to draft the striking railroad workers, that was because those followers were blindly inconsistent, not he. La Follette was a populist at heart—and the instigator of much unsound legislation which, pushed to extremes in New Deal days, has done much harm to the system of free capitalism. But he had a tiger's fighting heart, and he knew better than Woodrow Wilson that we would get nothing for throwing our weight in the scales of World War I without first imposing our terms on England and France.

#### COULD TAFT WIN?

Clay, Webster, and Taft were all victims of the same propaganda: Whenever any one of

them sought the presidential nomination, the cry went up, "He can't win." Mr. Alexander thinks the propaganda was nonsense in all three cases. It was particularly untrue when applied to Taft. As Mr. Alexander puts it, "Nobody but Taft could have beaten Truman in 1948, and no Republican could have lost to Adlai Stevenson in 1952."

Mr. Alexander is a careless author at times; he is capable, for example, of making Burton Wheeler of Montana into a Nebraska Progressive Democrat. But he is astute when it comes to probing the springs of motivation, both personal and philosophical. He is particularly good at putting his famous five in their family settings. All of them had their share of personal tragedy; all of them had the inner resources to rise above it. Clay lost six daughters—a tragedy more or less paralleled in modern times by Senator McClellan's loss of his three sons.

As for the present Senate, Mr. Alexander sees Lyndon Johnson of Texas as the inheritor of Clay's parliamentary skill, Harry Byrd of Virginia as the modern Calhoun, and William Knowland of California as a worthy successor to Bob Taft. But he finds no one with the eloquence of Webster or the stubborn individualism of La Follette. "More's the pity," is his commentary.

He trusts the institution of the Senate, however. "Out of its immortal nature," he says, "all good things may yet be born."

JOHN CHAMBERLAIN.

Mr. MANSFIELD. Mr. President, this is a coincidence, nothing else. I had risen to make some comments on the book written by Holmes Alexander, and also to have printed in the RECORD an article from the Wall Street Journal of July 31. I am delighted my friend from California has anticipated me in that respect.

Mr. President, last year I had the privilege of serving on the special committee appointed to select "five outstanding persons from among all persons, but not a living person, who have served as Members of the Senate since the formation of the Government of the United States, whose paintings shall be placed in the five unfilled spaces in the Senate reception room."

This was no easy task, for there are many famous and talented men who have served in the Senate of the United States. Many outstanding nominations were submitted, but I am confident that our selection was the best.

Senators Clay, Webster, Calhoun, La Follette, and Taft most satisfactorily fit the qualifications of the "old pros" and great traditions of the Senate as we know them.

It is quite fitting that the first major literary effort portraying these five outstanding Senators in one volume should be authored by a man so familiar with the Washington scene and Capitol Hill. Holmes Alexander has a distinguished record as a reporter, biographer, novelist, and editorial writer, and his book, *The Famous Five*, is a fine addition to his already awe-inspiring list of accomplishments.

*The Famous Five* is an easy-reading and concise biography of Henry Clay, Daniel Webster, John C. Calhoun, Robert M. La Follette, and our contemporary, Robert Taft. Mr. Alexander gives one a quick look into the professional and personal lives of these men. His account of the personal and family lives of these great men is particularly good.

He makes the reader feel the things that motivated these men on to greatness, and discusses the influence of each Senator's family relationship. The story of each of these men's political career is oftentimes sketchy, but it would be impossible to give detailed treatment to the political activities of these famous five in the course of some 300 pages. Detail has by necessity given way to brevity.

I highly recommend this book to all, especially to students of American history, politics, and government. It gives an excellent insight into the qualifications needed by a great and accomplished legislator and a Senator's senator.

Each of the Senators—Clay, Webster, Calhoun, La Follette, and Taft—was different in many ways, but in as many ways they were very much alike. They all were individualists and independent in their views and actions. They espoused varied and contrasting policies and national programs, but they never hesitated to criticize and oppose their own party or the White House if an important issue was contrary to their own beliefs and standards. Each was not afraid to champion an unpopular issue. Each Senator was a parliamentarian of the first order and knew how to take advantage of the rules of the political game.

The "famous five" all had a burning desire to occupy the White House, a goal never realized. Their inability to remain content and happy in their roles as Senators was perhaps the drive that was needed to spur them on to greater achievement. The political careers of the "famous five" gives credence to the belief that the Senate is by no means the steppingstone to the White House. The Senate is a most exclusive club, and Clay, Webster, Calhoun, La Follette, and Taft most nearly meet the standards.

The lives of all five were filled with personal tragedy, but each was able to rally his inner resources to rise above it.

Holmes Alexander has made an eloquent contribution to the history of the United States Senate, and I am confident that my colleagues here in the Senate will find it as excellent reading as I did.

Mr. President—

The PRESIDING OFFICER. The Senator from Montana.

#### TATSEY FLIPS

Mr. MANSFIELD. Mr. President, at the close of the last session of Congress I inserted in the CONGRESSIONAL RECORD a series of news columns written by John Tatsey, Indian Service policeman on the Blackfeet Indian Reservation. Tatsey is a news reporter of the first order.

There are few news columns that compare to that of the Heart Butte News which appears regularly in the Glacier Reporter, Browning, and the Hungry Horse News, Columbia Falls, as well as several other Montana weeklies.

The Tatsey column is just plain funny, but very effective in his locale. What he writes about his neighbors would in some communities get him sued.

Tatsey writes of Boy John Aims Back, who has not come home from potato picking. Instead, he is peeling potatoes in the county jail.

### Another item:

There was a ruckus at the Duck Head home when Leo ran his mother out and George ran out with a half gallon. When Tatsey the police came, George had not showed up. He must have slept in the brush.

### Tatsey reported that—

Mose Henault the trapper was at the church last Sunday. He was trapping on Big Badger and someone came along and stole his traps. He is sure mad. Return traps or keep out of his way.

These are just a few sample of Tatsey news items, and if my colleagues here in the Senate are interested in a good chuckle, I highly recommend that they read the Tatsey columns I am inserting in the CONGRESSIONAL RECORD.

Mr. President, I ask unanimous consent that a series of Tatsey news columns taken from the Hungry Horse News and the Montana Fourth Estate, publication of the Montana Press Association, be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

#### TATSEY FLIPS

The Heart Butte News, written by John Tatsey for the Glacier Reporter and reprinted by several other papers because it's funny, is normally just that—funny.

Like Tatsey's little story about a neighbor who had no dry wood in the house so he used one of his overshoes to cook breakfast and the other for supper, because in summertime he didn't need the overshoes.

But when a big story broke at Heart Butte, Tatsey skimmed over what really happened: Martin Chiefallover was shot to death, and his friend James Spotted Eagle II was charged with second degree murder.

Tatsey is a policeman and used to arguments. As a newspaper correspondent, he courts them. What Tatsey writes about his neighbors would, in some communities, get him sued. People on the Blackfeet Reservation are more direct, however—he was once threatened with shooting because of his jokes about a leading Indian citizen on the reservation. The threat didn't stop him, but publisher M. K. Fields prevented bloodshed by editing out certain items thereafter.

Tatsey is neither the first nor the last news writer to shy away from telling the awful facts about something really bad that happened among people he knows in the community where he lives. Here's what he wrote about the shooting; you'd never guess it was fatal:

"Sunday night was rather exciting when the people heard of the shooting at the James Spotted Eagle place. Those that were home in bed heard of it and all took off and gather at one place. The trouble started over an old trouble which James had with some boys at Heart Butte both were good boys and friends but liquor was mixed up in it.

"Martin Chiefallover was employed at the Boarding School as fireman for several years and James Spotted Eagle operates a sheep ranch and has improved his place. Nice home and took care of his own business was no bother to no one but liquor will get you in bad."

[From the Hungry Horse News, Columbia Falls, Mont., of October 18, 1957]

#### PRESENT HIND BULL AS DOWNPAYMENT

(John Tatsey, Indian Service policeman, writes Heart Butte community news for the Glacier Reporter, Browning newspaper.)

James Hind Bull came through Browning last week headed for Wolf Point. Last

fall he went to Wolf Point for the Indian day doings and when camp broke up a woman came to Wes Ackerman and told him he could have her tent and Ackerman told her she could have Hind Bull as downpayment, so she came up and got him and took him home. Good deal.

Tatsey was in E-owning last week and saw Tom Lame Bear and Joe Tatsey roaming the town. Tom Lame Bear was last seen sitting back of Teeple's store and was sure crying as though someone died. He was only lonesome for his wife who had gone west sometime ago. Mrs. Lame Bear you are still remembered.

George R. Wolf took his boys to town to go fight fire. He left his wife and never came back until toward morning. His wife sure worried about him.

There were more young people went to the potato fields first of the week over around Hamilton.

Last week some folks woke up and saw it snowing, looked around to see where they can get some wood to cook their breakfast. Wasted Indian summer days.

Mose Henault came out of the hospital and stayed at police quarters a couple of days and had to go to town and has not been back.

Richard Vielle has moved out of town and is at home at Heart Butte for the winter and children going to school.

Ralph Slenke brought his wife from White Sulphur where she was in the hospital and now she is staying with her folks, Mr. and Mrs. Louie Jackson. He went back to work here as a truckdriver for a pulp outfit.

Stoles was last seen in a pickup last week by Tatsey. He was laying full length and all that could be seen was his head and stomach. He was a little overloaded.

Peter Day Rider has moved back to his winter home. He has been alone all summer and now he and his wife are back together for the winter.

[From the Hungry Horse News of Columbia Falls, Mont., of September 6, 1957]

#### STOLES TAKES JOB, GETS EDUCATION

(Here's John Tatsey's column from the Glacier Reporter, Browning newspaper.)

HEART BUTTE.—Stoles Head Carrier was around Heart Butte hiring carpenters. He took a contract of remodeling Old Folks homes. When he got lined up he had to go to town for 4 or 5 days to get instructions on the job which required a few days. He stayed at James H. Walters College (the jail) for his instructions. Cost him \$20 for board and room and did not pass the test. Too bad. And on the other hand his wife is very smart, she wrote a note to the pay clerk at the Indian office and drew her brother's check and signed it, cashed it, and last seen sleeping on faded grass. She is staying home a little worried.

Mr. and Mrs. John Tatsey drove to Wolf Point for the Sioux Indian Day celebration, where they enjoyed a large crowd of people and dancing. In the camp there were around 100 or more teepees and tents with about 1000 people. There were nine sets of drums with singers. All different tribes. There were a lot of gifts exchanged.

Fish Wolfe Robe led the Blackfeet, he had the teepee and the rest had tents. Francis Many Hides, Wes Ackerman, Jas White Grass, Joe Eagle Child and Jack Hind Bull did the dancing.

The Red Bottom Society of Frazer put on the celebration. They gave ration and beef to their visitors so they had plenty to eat.

Mr. and Mrs. Wm. Spanish were there visiting Mr. and Mrs. Henry Headdress of Wolf Point. Fish Wolfe Robe got busy one day in the Sioux camp. He borrowed a hammer and hand saw and started to make benches to sit on at the dance. He did a good job. Never knew he was a carpenter.

At the Flynn Creek celebration on the Sioux Reservation had visitors from eastern Canada. There was a man who was told to stay home then he left home. (He had two women.) His wife took a taxi soon after he left and she landed in camp about midnight. The camp did boom, water buckets and blankets flying.

There was a story told in camp which happened in South Dakota where a man was making an owl song, getting the words in it. He was laying on his bed while his wife was busy cooking while he was singing. She was smiling to herself of the song he was making. He saw her so he put his drum away and walked over to her and knocked her down without any warning. They named the song Knock Out.

Mrs. Mink Woman Swims Under who passed away last week was buried on her home burial ground. She lingered a long time. She left her son Mike and daughter and two grandchildren to mourn.

[From the Hungry Horse News, Columbia Falls, Mont., of November 8, 1957]

#### TATSEY TELLS OF GETTING ELK

(John Tatsey, Indian Service policeman, who writes the Heart Butte news for the Glacier Reporter at Browning, has been out hunting, and missed a few weeks.)

Tatsey was out hunting Monday morning where he saw something moving around so he waited till Joe Running Crane and Louie come up. By then we saw horses and we saw Stoles Head Carrier crawling around on hands and knees eating huckleberries. He did not see any game and come home just when the storm hit. Next day he went to town and was having a high old time from one bar to another.

Tatsey, Louie Red Head, Joe Running Crane, and Wes Ackerman went hunting in the Beaver Lake country last week where Tatsey got his bull elk. They were caught in Hungry Man by the storm. Joe Running Crane stitched up some mittens with no thumbs.

Last week George Running Wolf, Sr., got mixed up on his day and nights. He was walking around at midnight waking up people. He was going down to see some boys working on building. Joe Mountain Chief told him that they were gone to dinner at 12:30 a. m.

Stoles Head Carrier has been driving for John Eagle Ribs where John has been under doctor's care in Great Falls so Stoles is out this week.

George Wippert finally landed a job. Has been looking for work since April. He is working for the tribe in repairing old folks' homes.

Sam Choate has his house all fixed up for the winter.

Mr. and Mrs. George Duck Head are visiting Mrs. Maggie Spotted Eagle for the week-end.

Harold Guardipee has come back from Fort Harrison Hospital where he went under operation.

Lloyd Tatsey, son of Joe Tatsey, has been home from the Armed Forces. Arrived here Labor Day, will stay till some time in October.

Francis Bull Shoe motored to Shelby on business. Returned on the same day.

Joe Mountain Chief was a little intoxicated last week. He was all alone around the house. Tatsey was watching him with field glass. Pretty soon he wheeled out a bicycle and put it on a little hill and got on and went down and took a spill. He left the bike there.

The first snowstorm last week was surprise to most people caught without wood and some Bull Durham.

Ormer Ortner from Conrad loaded his lamb crop for shipment out of Blackfoot.



Mr. and Mrs. Richard Dog were at Heart Butte Sunday to play stick game. They think they will do better instead of horse racing.

George Wippert has been home and is sure hauling out wood. George works good without wages.

Louie Red Head and wife and daughter will work for a Mr. Small in the line of potatoes. Mr. Small was around Heart Butte Sunday notifying his old hands.

Mrs. Louise Old Rock has been buried at Heart Butte Cemetery. She passed away last Saturday morning at Blackfeet Hospital.

Mrs. Lizzie Roundman passed away some time Saturday night and will be buried at Heart Butte. She leaves three sons and six daughters.

Old Uncle Frank was coming out of the Tribal Store with a bag of meat and bread when a young lady came and took the bag and told him that she would go home with him and cook and feed him. She walked so fast he could not keep up.

George Aims Back was picked up for neglecting his family and was fined \$40 and serving his time at J. H. Walters' coup.

[From the Hungry Horse News, Columbia Falls, Mont., of October 11, 1957]

#### TELLS OF INDIAN SUMMER DOINGS

(John Tatsey, Indian Service policeman tells of Heart Butte events for the Glacier Reporter, Browning newspaper.)

The Indian Summer is sure making people roam around and not thinking of the coming winter. They get out early and stand around in their shirt sleeves, but I guess we can enjoy things as they come.

Henry and Roger Crawford are in the mountains getting out barn logs and poles. Henry shipped out his lambs last week.

Tom Williamson bought the John Edwards home on Badger and had it moved to Heart Butte among some scrub bushes where there were some nice pine trees around.

Peter Tatsey trucked some cattle to Shelby last week and got a fairly good price for them.

Dave Hall was called to Browning Sunday where his brother Bill was in the hospital, and also Mrs. James Spotted Eagle.

The road department is doing a good job on the road to Old Agency. The police won't wear out his tires so soon.

Dave Hall and Tom Williamson took cattle to Shelby last Wednesday for the sale there Thursday.

Mr. Small from Kalispell was over last week with two dump trucks and had a load of Indians, so when he got there all he had to do is dump them off at the potato patch.

George Duck Head is at his old home on Big Badger and is going up in the mountains and bank out his firewood and Bowes Hirst's. He will at least keep warm if nothing else.

Stoles Head Carrier has not been seen since he came out of the mountains. He was in Browning and in Conrad getting different brands to get the soreness out of his body. None helped. Only a bigger headache.

Wm. Comes at Night has come home Sunday from Warm Springs and is staying at his sister's, Mrs. Stoles Head Carrier. Maybe more headache for the police.

[From the Hungry Horse News, Columbia Falls, Mont., of November 8, 1957]

#### TATSEY TELLS OF MEETING MANSFIELD

(Here's John Tatsey's column from the Glacier Reporter, Browning newspaper. Tatsey, an Indian Service policeman, writes the Heart Butte news.)

John Tatsey was called on the phone last Monday to be in Browning at 11 a. m. When Tatsey arrived in town he went to the high school where coffee and rolls were served. When Senator MANSFIELD came, Mr. and Mrs. Tatsey had a picture taken with him. MRKE had his medicine pipe with him but did not

offer Tatsey a peace smoke, so Tatsey did not take him into the tribe or give him his Indian name but still we meet and made friends.

Stoles Head Carrier was checked on and found out 2 weeks ago he was in town and found out where the Glacier Reporter office was and told the editor that he heard they would like to see him. They shook hands when Stoles was ready to leave. He told M. K., "It should be worth a buck." He got it.

Boy John Aims Back has not come home from potato picking. Instead he is peeling potatoes in the county jail.

A fat young man from Browning was out Sunday. His name is Melvin. He was around asking for dried meat and crackling. Good name for him, Crackling Melvin.

Sam Horn and Mike Swims Under came back from Kalispell. Mike was playing violin in truck when Sam got up to dance and fell off the truck. Also Robert White Man fell off.

There was a ruckus at the Duck Head home when Leo ran his mother out and George ran out with a half gallon. When Tatsey, the police came, George had not showed up. He must have slept in the brush.

Tatsey had a friend that came from New York who wanted a short trip in the mountains. Wes Ackerman and Glen Eagle Feathers were along. They stayed for a week until they got their limit of deer.

Albert Spearson and Richard Vielle went in the Big River meadows on a hunting trip. Spearson spent his time hunting horses. Horses came home during the storm.

Peter H. Tatsey went to Walla Walla where he be going through a checkup. Mrs. Peter Tatsey followed up later where she will visit Pete a few days.

Most everyone has shipped their calves around Heart Butte. The storm delayed the shipping 1 or 2 days.

Most of the potato pickers are driven home by the bad weather. Some came home with a few sacks of spuds.

John Russell has finished a cabin at Old Agency turnoff to Heart Butte where he will have a gas pump and a lunch counter for tourists next summer.

Teachers at Heart Butte all went to Great Falls last week for the convention which was held there.

There have been a tooth puller at Heart Butte the past week taking care of bad, bad teeth. Remember, Heart Butte people, there is some elk meat coming this winter and might be tough.

[From the Hungry Horse News, Columbia Falls, Mont., of November 22, 1957]

#### COMES AT NIGHT SLUGS WEASEL HEAD

(Here's John Tatsey's column of Heart Butte news as written for the Glacier Reporter, Browning newspaper.)

Wm. Comes at Night got off on the wrong side of himself last week when he assaulted his nephew Tom Weasel Head No. 3 by beating him about the face with cuts which required some stitches and has gone back to Warm Springs. Everyone in the district is safe again.<sup>1</sup>

Mrs. Catherine Pepion from lower Black-tail was brought to the school in Birch Creek, where some had their teeth pulled. The dentist ask Mrs. Pepion if she want some teeth out, she said, No, no.

Mr. and Mrs. George Tatsey were around Heart Butte last Sunday.

Francis Bull Shoe left last week on a hunting trip where he took Merl Beck, undertaker of Browning, Preacher Cox from town, 2 doctors, 1 Indian, Paul Running

<sup>1</sup>Indians use the designation No. 2 instead of junior in names. Hence Tom Weasel Head No. 3 is probably the son of Tom Weasel Head No. 2 or Tom Weasel Head, Jr.

Crane, and a white doctor. They should all get back in good shape.

There has been some minor ailments happening to Francis this fall. His back bothered him so during shipping time the younger boys could not do the work right. So Francis jump on a horse and when he started off on a run, the horse went to bucking and threw him off and after that he was all right.

Stoles Head Carrier has not been around. He may show up with a good story.

Louie Red Head, Sr., has been in bed with the flu. May go to hospital.

The bingo at Heart Butte had a good crowd. This was for the benefit of the Heart Butte School.

A few people celebrated November 11 at George Wippert place by having a stick game between the Little Dogs from upper Two Medicine and Running Cranes from Big Badger.

James Black Weasel, of Durham, had some trouble of someone breaking in his house and took all his groceries and now he hides his bacon and sugar under his pillow so Mr. Indian thief be sure to look under pillow.

Mr. and Mrs. John Tatsey and daughter, Mrs. Ray Doore and Peter Tatsey children went to Walla Walla, Wash., to see Mr. and Mrs. Peter Tatsey. Peter is in the veterans hospital where he is taking treatments and his wife June will be there for the winter. Children going to school there. Pete doing well.

Joe and Don Boss Ribs have returned from potato picking. They went as far as Idaho Falls. They said there was a lot of work there but their children had to be home and in school.

Bob Kirkland, Rankin Brown, and Tatsey were driving on the south end of the reservation.

[From the Hungry Horse News, Columbia Falls, Mont., of December 6, 1957]

#### AIMS BACK PUTS UP FOR WINTER

(Here's John Tatsey's Heart Butte column from the Glacier Reporter, Browning newspaper.)

Charles Weasel Head and Fred Marceau came home from Hamilton where they were working picking potatoes. They report that George Aims Back and Phillip Day are going to spend the winter in the county jail. Their rent is pretty high, \$250.

Police Tatsey motored to Walla Walla, Wash., Monday where he took his son, Peter's, car.

The dance at Starr School was well attended by local and other tribes. Large crowd from Canada.

Mr. and Mrs. James Sweeney, from Wolf Point, stopped to dance. Being on his way home, and also from Wolf Point, was Mr. and Mrs. Earl Wetsit.

Dr. and Mrs. King were at the dance, being that Dr. King is an honorary member of the tribe. Mrs. King won't miss any dances now.

#### NOW COME STOLÉS?

Last week Tatsey was in town attending a 2-day session on first aid and law and order when John came downtown and saw Stoles walking across the street in a very poor shape of the use of his legs, so Tatsey had to take him. Joe Running Crane started to help him in the car when Stoles got mad and struck Joe, so between the 2 when they clinched, 600 pounds went down. Stoles refused to get up. Tatsey had to get extra help to get him in the pickup.

Louie Red Head has got over the flu all right only that his wife took off while he was in bed. She landed over in Tacoma, Wash.

Polite Pepion and Frank Harrison were around Heart Butte taking care of livestock matters. They took Peter Marceau's cattle.

Mose Henault, the trapper, was at the church last Sunday. He was trapping on

Big Badger and someone came along and stole his traps. He is sure mad. Return traps or keep out of his way.

Clarence Many Guns was home from Galen a few days and has returned, where he is under treatment.

Francis Bull Shoe came out of the mountains after spending 2 weeks hunting. They all got their elk. Merl Beck came out a day later.

[From the Hungry Horse News, Columbia Falls, Mont., of December 30, 1957]

#### PLAN XMAS DANCE AT HEART BUTTE

(John Tatsey is an Indian Service policeman who writes news of the Heart Butte community for the Glacier Reporter, Browning newspaper.)

The Heart Butte district had a meeting Monday evening where they appointed their Christmas dance committee of Joe Running Crane, Joe New Robe, Louie Jackson, George Comes At Night, and police, John Tatsey. Dance to be held on the 27th day of December at the Heart Butte Hall.

Mose Henault, the trapper, went to town last week while Tatsey went west and when Tatsey came back he found out that someone had trapped Mose and had him in a cage (jail) that Joe Walters operates. Has not showed up yet.

Mose the trapper never got home when he got out and this week he got back in and had to pay a lodging fee of \$10 so he got home O. K. Heart Butte police took him home.

John Mittens has went into hibernation after having a big Thanksgiving.

Tom Medicine Bull and his partner John Beaver each had a whole turkey for their Thanksgiving dinner. Tom has not moved around any.

Mrs. Cecil Duck Head, who passed away Tuesday morning will be buried at the Heart Butte cemetery. She leaves to mourn, George, husband, and 2 sons, Leo and Henry, and 1 girl, Ester.

The Hi-Way Lumber had a pickup loaded with presto wood around Heart Butte selling it to the people.

Two weeks ago there was a piece in the Glacier Reporter when Tatsey got mixed up in a trash can at the Whippert place and so last Sunday there was a young woman who had the misfortune of falling in the same can. Something wrong.

Stoles Head Carrier has been home all week. There is no fun reading when he stays home.

Mr. and Mrs. John Tatsey were at Walla Walla to visit their son and grandchildren and had their Thanksgiving dinner with them.

Oliver Marceau, Wilford Wells, and Perry Spotted Eagle were picked up Wednesday evening for disturbing the peace. They were fined \$20 each.

[From the Hungry Horse News, Columbia Falls, Mont., of January 24, 1958]

#### NO ELK PLANT FOR HEART BUTTE

(John Tatsey, Indian Service policeman writes the Heart Butte community news for the Glacier Reporter, Browning newspaper.)

In regard to the planting of elk in a meeting held at Heart Butte school house the people that were there voted against having elk in the Heart Butte community and later there were five delegates from Heart Butte went to Browning when the tribal council had their meeting and heard the majority of the council not to put elk in the Heart Butte community so we guess this is out. The elk were to come from Yellowstone purchased by the tribal council.

New Year's Eve the Heart Butte community had a little party at Carolines and were having a feather game and about 12 midnight when someone came in hollered

happy new year. It was old Stole Head Carrier 1958 came in happy about three sheets in the air.

Polite Peplon, the tribal fieldman, was at Heart Butte Monday and took over some cattle owned by Philip Sure Chief, Jr.

The Heart Butte trapper strayed off New Years and has not been home. He sold some fur and had a good time while it lasted.

Since our trapper Mose left Heart Butte there are two new trappers came in and started to trap. They are from the Old Agency way, and their first set were real good. When they went to look over the trap line George Edwards went one way and Dexter Galbraith went the other. George brought back two magpies and Dexter brought George Klipp's pet dog and one skunk. The beaver is still to be caught.

Joe Running Crane has been pretty lucky all the time he drove a car. But since the car quit running he fell down on ice and cracked his wrist.

Last Sunday Mr. and Mrs. Wm. Running Crane were up from Mad Plume and joined the stick game players. He imitates a rocky mountain bill goat so Sunday he could not do anything and he said that Tatsey killed the goat Sunday morning.

One of the immigration officers was at the Tatsey place on Monday looking around for stray people. Stray people don't last very long at Heart Butte.

George Comes At Night spent his New Year's at Wolf Point and reported a very nice time.

George Tatsey from Lower Blacktail has been around Heart Butte buying a few canner horses.

George Hall has been around Heart Butte since the holidays doing a little hunting and stick game.

Albert Wells took his son and nephews to Cut Bank to sign up at the employment office.

The funeral of Mr. and Mrs. Gilbert Jackson was well attended. Friendship showed up with 70 or 80 cars. Mr. and Mrs. Louie Jackson thank the people who came to share their sorrow. The young people were killed in a car accident near Shelby.

The reporter from Heart Butte was gone for some time during Christmas and was rather busy during New Year's. Did not have the time to write but will try and do better this new year so readers be patient.

Tatsey the police spent Christmas at Walla Walla, Wash., where his son was at the Veterans' hospital.

The people at Heart Butte reported a very nice Christmas dance. Had a lot of visitors from different reservations.

[From the Montana Fourth Estate of February 1958]

#### TATSEY RIDES AGAIN

(Here are some more gems from the Heart Butte News in the Glacier Reporter. The correspondent is John Tatsey, Blackfeet tribal policeman. Some people would be knocked off their feet at being invited to meet a United States Senator at the Senator's specific request, but with Tatsey this incident has to take its turn after deer hunting, lost horses, potato picking and tooth pulling.)

Readers of Glacier Reporter are asked to be patient and wait till the reporter from Heart Butte gets straightened out. Just waiting till everybody gets back and look out.

Tatsey had a friend that came from New York who want a short trip in the mountains. Wes Ackerman and Glen Eagle Feathers were along where they stay for a week till they got their limit of deer.

Albert Spearson and Richard Vielle went in the big River meadows on a hunting trip.

Spearson spent his time hunting horses. Horses came home during the storm.

Most of the potatoes pickers are driven home by the bad weather. Some came home with a few sacks of spuds.

There have been a tooth puller at Heart Butte the past week taking care of bad bad teeth. Remember Heart Butte People there is some elk meat coming this winter and might be tough.

John Tatsey was called on the phone last Monday to be in Browning at 11 a. m. When Tatsey arrived in town he went to high school where coffee and rolls were served. When Senator MANSFIELD came Mr. and Mrs. Tatsey had a picture taken with him. Mike had his medicine pipe with him but did not offer Tatsey a peace smoke so Tatsey did not take him into the tribe or give him his Indian name but still we meet and made friends.

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A fat young man from Browning was out Sunday. His name is Melvin he was around asking for dried meat and crackling. Good name for him, Crackling Melvin.

Sam Horn and Mike Swims Under came back from Kallispell. Mike was playing violin in truck when Sam got up to dance and fell off the truck. Also Robert White Man fell off.

There was a ruckus at the Duck Head home when Leo ran his mother out and George ran out with a half gallon, when Tatsey the police came George had not showed up. He must slept in the brush.

[From the Glendive Ranger of February 12, 1958]

#### JOHN TATSEY TELLS ALL

One of the most famous Montana newspapermen is a police officer. He is John Tatsey and his literary work appears originally in the Glacier Reporter, the Browning, Mont., weekly. Mr. Tatsey, who refers to himself as the police in the Heart Butte community, writes about the things he knows best. He tells all he knows. In a few words he expresses what trained newspapermen would write pages about, that is, if they dared.

John Tatsey is a master of human interest. His words bring to mind visions of the people he writes about. In a brave moment, we might even tell our community correspondents that this is the sort of writing they should attempt.

At any rate, the paragraphs that follow will give readers of the Daily Ranger an idea of how John Tatsey goes about his job of reporting the news of Heart Butte. This particular article was reprinted in the Hungry Horse News, as are most of them:

"Old Stoles Head Carrier got before him last week and he sure got it for being drunk. Thirty days or \$60 fine so he won't be around for a while.

"Ten days ago George Wippert was down along the creek looking for a fish camp when he saw a robin hopping around. All saying early spring.

"The weather sure has been nice. Everyone enjoying it and livestock still on open range.

"John Tatsey the Police motored to Cut Bank last Friday on business.

"Bob Kirkland, the FBI from Cut Bank, was at Heart Butte. He and Tatsey were out in the community investigating some cases.

"Harold J. Boyd, of Browning, is here at the agency moving a house which belongs



to Mrs. Annie Green. They moving down on Big Badger.

"George Wippert has gone to East Glacier to work but was not on job Monday morning.

"Mr. and Mrs. Peter Tatsey motored to Great Falls last Monday for a checkup.

"Mr. and Mrs. Roy Doore and children were at Heart Butte where they had a dinner for John Tatsey's birthday. Peter Tatsey and family were also there.

"The Indian acting tribal judge is sure knocking the boys in the ditch; he gives them a pretty stiff sentence."

[From the Hungry Horse News, Columbia Falls, Mont., of March 14, 1958]

#### BLACKFEET ENJOY MEAT BREAKFASTS

(John Tatsey is an Indian Service policeman who writes the Heart Butte community news for the Glacier Reporter, Browning newspaper. His lead paragraph tells of the Indians enjoying elk meat, which was given to the Indians as a result of the annual elk reduction program in Yellowstone National Park.)

People at Heart Butte got their elk meat Monday and everyone had a big smoke at their home before breakfast of straight meat.

Tatsey and daughter-in-law and children went to Galen (State tuberculosis sanatorium) to visit Peter and he was glad to have somebody from home. They saw Albert Sherman who has been down there for some time. He weighed 210 pounds and also saw Thomas New Robe and Clarence Many Gun, all doing good.

Ray Shepp from Cut Bank was at Heart Butte checking juvenile cases.

Tatsey was down to Shelby to get some sheep. There is still a lot of snow there.

There was a large crowd at Heart Butte Sunday. The light storm did not last long.

Stoles Head Carrier has been staying home and behaving since Tatsey was on vacation will know next week what happened to him after getting elk meat.

George Little Dog made a trip to Great Falls last week where he and his wife stayed with Florence Running Crane who was to have operation.

Tatsey has gone back on duty the first of the month and will enforce the law. There has been too much mischief going on while he was vacationing.

Young people from Browning and Starr School were over and scalped the Heart Butte stick games Saturday night.

Andrew Round Man was walking around early one morning along Big Badger. There was Tom Lane Bear behind him. Next time he was seen he was laying in a puddle of water. Joe Weatherwax came along horseback and tried to get him out and finally had to get car to tow him out.

Some distant readers have missed the Heart Butte news. Will try and keep up.

Wish to tell readers. Believe what you see, not what you hear.

[From the Hungry Horse News, Columbia Falls, Mont., of March 28, 1958]

#### MOSE HENAUPT TELLS TATSEY FISH STORY

(John Tatsey, Indian Service policeman, writes Heart Butte community news for the Glacier Reporter, Browning newspaper.)

Mose Henault the trapper has come back to Heart Butte to start trapping beaver. He told a story to Tatsey about his trapping through the ice. He chopped a hole in the ice and he had a looking glass which he held under to see the bank. When he looked in the glass he saw a big trout looking at itself in the mirror. Fish story.

There were two people that were hit hard by the storm last week. Joe Running Crane and Stoles Head Carrier. Joe walked to the store and just made a big trail in the deep snow with no foot track and Stoles was out of wood and the magpies already started their nests in the brush. He went along and picked the sticks in a gunny sack so he

did not have to chop wood. They got by OK. They were at the store Tuesday, snow melted and warm.

Francis Spotted Eagle and Merle Champagne left for Denver where they will work on the relocation.

Last week was rather bad on account of the deep snow we had here in the community but the people came to church any how.

Carson Boyd was through Heart Butte Tuesday on his way to Henry Crawford, his son-in-law who is snowed in on Blacktail Creek.

Mrs. George Choate was taken to the Blackfeet Hospital last week when she got sick sudden. Last report was she is doing well.

Joseph Jackson got a call from his brother-in-law in Toppenish, Wash., to go over and baby-sit for him. They both have a job, he and his wife.

[From the Hungry Horse News, Columbia Falls, Mont., of May 30, 1958]

#### HEART BUTTE HAS NEWS TO REPORT

(John Tatsey, Indian Service policeman, writes the Heart Butte community news for the Glacier Reporter, Browning newspaper.)

There was no news from Heart Butte last week but will have the happenings this week.

The Pughsley Cattle Co. has been hauling their cattle to the summer range near Heart Butte Mountain.

John Day Rider went to Butte last week for examination for the Armed Forces and has returned and being rejected on account of ear trouble.

The people at Heart Butte had a meeting Sunday and selected their camp committee for their Fourth of July celebration. Planning on a big time.

Peter Tatsey has plowed and disked some ground which he will seed into oats and barley.

Wishie Weasel Head got mixed up with an old lady at Heart Butte so the old woman pick up a job of Gallo and whack him over the head and his head was soaked in wine. He was hospitalized for several days so do not bother an old lady.

Stoles Head Carrier has straightened up he won't give Tatsey a chance to hear about him.

The rain which fell last week sure did the community a lot of good even the people all moving next day it brighten them up.

Henry Evans was caught in the rain no dry wood in the house so he took one of his overshoes to cook breakfast and the other for supper. He did not need the overshoes this summer.

John Mittens was seen sitting along the road Tuesday very downhearted. His wife has been gone all last week.

Joe Running Crane rode horseback along the mountains last week and was not seen for a few days got pretty sore.

Sunday night was rather exciting when the people heard of the shooting which took place at the James Spotted Eagle place. Those that were home in bed heard of it and all took off and gathered in one place. The trouble started over an old trouble which James had with some boys at Heart Butte. Both were good boys and friends but liquor was mixed up in it.

Martin Chiefalover was employed at the Boarding School as fireman for several years and James Spotted Eagle operates a sheep ranch and has improved his place. Nice home and took care of his business was no bother to no one but liquor will get you in bad.

[From the Hungry Horse News, Columbia Falls, Mont., July 4, 1958]

#### STOLES COLLECTS FORGET-ME-NOT

(John Tatsey, Indian Service policeman, writes Heart Butte community news for the Glacier Reporter, Browning newspaper.)

Stoles Head Carrier was in Dupuyer last Saturday night where he got in the wrong bar. He got a little out of line when the lady bartender took and threw him out. Next day he had a forget-me-not mark on the left eye.

There was horse racing at Francis Bullshoe's last Sunday. There was a large crowd.

Harvey Monroe was branding Sunday afternoon. Had some nice calves.

One of the Heart Butte boys was picked up for drunken driving by Deputy Sheriff Morris of Dupuyer.

Glenn Eagle Feathers of Heart Butte was called last Sunday from Lame Deer that his brother was found dead.

Louis Tall Feathers has been around visiting relatives. Has been making his home at Salt Lake.

Tatsey the Indian police arrested some boys breaking in sheep wagon on Two Medicine and got two others last week at Heart Butte for breaking in a sheep wagon there.

George Tatsey from Blacktail has been getting out corral poles from the Heart Butte Mountains.

Joe Arrow Top has been jailed at Conrad for driving while intoxicated.

[From the Hungry Horse News, Columbia Falls, Mont., of July 25, 1958]

#### POLIO HITS BLACKFEET INDIAN RESERVATION

(John Tatsey, Indian Service policeman, writes the Heart Butte community news for the Glacier Reporter, Browning newspaper.)

People and their children were shocked and afraid of the sickness that hit the reservation and all took to the hospital for shots. It was that bad that a bull moose came to the Blackfeet Hospital one early morning to get a shot. He got a good shot from one of the Juneau boys.

The funeral of the baby Walters was well attended. It was nice to see that the parents have a lot of friends. (This was the 3-year-old who died from polio.)

Mrs. Helen Running Crane took her baby to the hospital last weekend, the child being sick. She came home with her baby well and feeling fine.

Mitchell Running Crane was called back to the Reserves on the 5th of July.

Lewis Tall Feathers had the misfortune of hitting two cows on the road, killing one instantly down Dupuyer way.

Joe Running Crane went hunting Sunday and got a deer and he sure got soaked in the rain waiting for it to get dark so no one would see that he had meat.

Stoles Head Carrier has been good for a long time and Tatsey went to town and was handed a warrant for Stoles arrest. He invited a Sioux boy from Poplar and that night the boy lost everything he had in his car.

The reporter of Heart Butte was rather busy. The last 2 weeks during the celebration the reporter was reported busy fishing and doing of sports but no harm done.

The Fourth of July was not so good. Had one afternoon of dancing. Raining every day but everyone had a smile in the rain and plenty to eat and turned out a good time. The police was the big object.

There was a pickup truck stolen from Dupuyer and was left in a hole and one boy was picked up by Tatsey and now is in Conrad County jail.

Several of the Heart Butte boys have gone on haying jobs toward Dupuyer and Choteau.

Mrs. Gene Crandell of Thermopolis, Wyo., has gone home last week after visiting with her brothers and sisters here during the celebration at Heart Butte.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Flanders	McClellan
Allott	Frear	McNamara
Anderson	Fulbright	Monroney
Barrett	Green	Morse
Beall	Hayden	Morton
Bennett	Hickenlooper	Mundt
Bible	Hill	Murray
Bricker	Hoblitze	Neuberger
Bridges	Hruska	O'Mahoney
Bush	Humphrey	Pastore
Butler	Ives	Proxmire
Byrd	Jackson	Purtell
Capehart	Javits	Robertson
Carlson	Jenner	Russell
Carroll	Johnson, Tex.	Saltonstall
Case, N. J.	Johnston, S. C.	Smathers
Case, S. Dak.	Jordan	Smith, Maine
Chavez	Kefauver	Smith, N. J.
Church	Kennedy	Sparkman
Clark	Kerr	Stennis
Cooper	Knowland	Symington
Cotton	Kuchel	Talmadge
Curtis	Langer	Thurmond
Dirksen	Lausche	Thye
Douglas	Long	Watkins
Dworschak	Magnuson	Wiley
Eastland	Malone	Williams
Ellender	Mansfield	Yarborough
Ervin	Martin, Pa.	Young

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. HENNING], and the Senator from Florida [Mr. HOLLAND] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate on official committee business.

The Senator from Iowa [Mr. MARTIN] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from Maine [Mr. PAYNE], the Senator from Michigan [Mr. POTTER], and the Senator from West Virginia [Mr. REVERCOMB] are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

#### MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker has affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1283. An act for the relief of Charles T. Crowder;

H. R. 1565. An act for the relief of Donald R. Peace;

H. R. 1602. An act for the relief of Lillian Cummings;

H. R. 2689. An act to provide for the conveyance of all right, title, and interest of the United States in and to certain real property to Stella Vusch;

H. R. 4183. An act to amend an act entitled "An act to provide for the refunding of the bonds of municipal corporations and public utility districts in the Territory of Alaska, to validate bonds which have heretofore been issued by a municipal corporation or any public utility district in the Territory of Alaska, and for other purposes" (54 Stat. 14), approved June 17, 1940; to validate bonds which have heretofore been issued by any municipal corporation, any public utility district or any school district in the Territory of Alaska, and for other purposes;

H. R. 4461. An act for the relief of Johnnie P. Saylor;

H. R. 5322. An act to extend certain veterans' benefits to or on behalf of dependent husbands and widowers of female veterans;

H. R. 5450. An act to authorize the enlargement of the administrative headquarters site for Isle Royale National Park, Houghton, Mich., and for other purposes;

H. R. 5904. An act for the relief of Thomson Contracting Co., Inc.;

H. R. 6038. An act to revise the boundary of the Kings Canyon National Park, in the State of California, and for other purposes;

H. R. 6198. An act to exclude certain lands from the Sequoia National Park, in the State of California, and for other purposes;

H. R. 6274. An act to provide that the Secretary of the Interior shall accept title to Grant's Tomb in New York, N. Y., and maintain it as the General Grant National Memorial;

H. R. 6593. An act for the relief of Mrs. Juanita Burns;

H. R. 6735. An act to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (48 U. S. C. 381);

H. R. 6970. An act for the relief of C. A. Nolan;

H. R. 7790. An act to provide for the forfeiture of the right-of-way located within the State of California heretofore granted to the Atlantic & Pacific Railroad Co. by the United States;

H. R. 8046. An act for the relief of Joaquin A. Bazan;

H. R. 8233. An act for the relief of James L. McCabe;

H. R. 8313. An act for the relief of Wayne W. Powers, of Walla Walla, Wash.;

H. R. 8833. An act for the relief of S. A. Romine; and

H. R. 9884. An act for the relief of Tamas Akos and Lilla Akos.

#### CONVEYANCE OF CERTAIN PROPERTY TO THE CITY OF ROSEBURG, OREG.

Mr. MORSE. Mr. President, I am about to discuss the proposed gratuitous transfer of real property devised to the United States by Lillie Lela Moore, of Roseburg, Oreg.

I understand that at 5:10 o'clock p. m. the leadership desires to have a quorum call. It has no objection to my continuing with my address on this subject after the quorum call is finished. Therefore, I ask unanimous consent that at 5:10 o'clock p. m., when I suggest the absence of a quorum, it be with the understanding that I do not lose the floor immediately following the quorum call, and particularly following any communications or notices which the leadership may wish to present to the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MORSE. Mr. President, yesterday during the call of the calendar I discussed briefly my reasons for objecting to the bill H. R. 6995, which would authorize the conveyance of certain property of the United States to the city of Roseburg, Oreg.

At this time I desire to make a more detailed statement on the case, because I wish the RECORD to be perfectly clear as to my position.

Lillie Lela Moore died testate on May 14, 1940, in Roseburg, Oreg. Her will made specific bequests and contained a devise and bequest of the remainder of

her real and personal property to the United States. The property devised to the Government is described as follows:

The south 55.45 of lot 3, block 29, city of Roseburg, lots 5, 6, and 7, of block 29, city of Roseburg.

Lillie Lela Moore's will devised the land to the United States under the following clause:

7. I give and bequeath the balance of my property, real and personal, to the Government of the United States of America.

That is it. There is not a word of condition; not a single reservation.

After that will was probated, who owned the property? All the people of the United States.

I do not need to tell the Presiding Officer that I have occupied more enjoyable parliamentary positions than I occupy at the present moment. It is not pleasant to object to bills introduced in Congress by colleagues from one's own State. But that never bothers me, once I reach a decision that there is a matter of duty involved.

Let me review, once again, the history of the Morse formula. In 1946, as a member of the Committee on Military Affairs, I was chairman of a subcommittee appointed by that committee, the subcommittee consisting of the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Virginia [Mr. BYRD]. The task of the committee was to reach a policy decision as to what we should do about legislation which was being dropped into the legislative hopper and was giving away Federal surplus property all across the country to various governmental agencies, including States, cities, school districts, counties, and to a great many private or quasi-private organizations, as well.

If anyone will take the time to do a little research and check the history of the events at that time, he will find that in some of the comments which were then made in the Senate, there was a tendency to make a grab bag out of Federal surplus property.

It happened to be my personal conviction that the practice had reached almost scandalous proportions. Too many Members of Congress saw a chance to strengthen themselves with their constituencies by introducing in the Congress bills to have the Federal Government give their localities or their States Federal property. I did not think that led to good government; and the RECORD will show that in those days I made some rather strong criticisms of that practice, and said we should put a stop to it.

The subcommittee of which I was chairman was unanimous in regard to the proper procedure in connection with the handling of military property; and the Senate Armed Services Committee was unanimous in agreeing to the adoption of the report made by our subcommittee. The subcommittee's report in regard to the handling of military property called for application of the Morse formula; the report provided that when there came before the committee a bill which proposed that federally owned military property—whether an Army truck, a military reservation, or any



other form of military property—be given to a local agency or individual for public purposes, 50 percent of the appraised fair market value of the property would have to be paid for it to the Federal Government; and if the purpose was a private one, 100 percent of the appraised fair market of the property would have to be paid to the Federal Government. That is the position the Senate Armed Services Committee took in 1946, in regard to military property.

The CONGRESSIONAL RECORD will show—if anyone wishes to engage in research on the matter—that I then took the position that it was not fair to apply the Morse formula to military property and then to have other Senate committees report favorably bills which sought to give away Federal property nonmilitary in nature. It was then that I announced that I would not agree to unanimous-consent requests for the consideration of bills which provided for the giving away of Federal property, no matter what committee reported the bills, unless they called for application of the Morse formula.

The RECORD shows very clearly that, since 1946, I have objected to Senate consideration of, and have prevented the passage of, bills which otherwise would have given away, without one cent of compensation to the taxpayers of the country, Federal Government property worth hundreds of millions. That is not a very bad one-man economy drive in the Senate, let me say. Furthermore, we do not know how many additional millions of dollars have been saved the taxpayers because of the fact that the necessity for inclusion of provision for application of the Morse formula became generally known. As a result, many bills which were reported to the Senate included provision for application of the Morse formula, although I am satisfied that if I had not taken the stand I took in 1946, for application of the Morse formula, many of those bills would have been giveaway measures.

Mr. President, there have been some humorous incidents in connection with my persistent insistence upon the application of the Morse formula. Certainly I have a sense of humor about the matter. Over the years, colleagues would say to me, in the cloak room, "Well, I shall have to say some mean things, on the floor, about your objection. But stick to your guns; I do not blame you—just so long as you are consistent."

Mr. President, I have been consistent; and I have said that if the time ever comes when I cannot apply the Morse formula to Oregon matters, I shall be guilty of gross unfairness to my colleagues in the Senate. I have applied the Morse formula to Oregon matters.

I related once before, I believe—but because it is so apropos this particular matter, I believe it deserves repetition—that some years ago the Chamber of Commerce, of Albany, Ore., wanted about one-fifth of an acre of land on the corner of the United States Bureau of Mines property situated in Albany, Ore. The chamber of commerce wanted that parcel of land in order to

straighten the street. But there was no showing of any proposed compensation or benefit to the Federal Government. So I objected to consideration of the bill. There was a little difficulty about the matter in the Senate; but the Senate supported my objection, and provision for the 50 percent formula was written into the bill.

That summer, when I was in Oregon, I made a speech, at Albany, to a business group. In the course of the speech, I related the facts of the situation in connection with that bill. The interesting thing was that, after the adjournment of the chamber of commerce meeting, a number of members of the chamber of commerce said to me, "WAYNE, we would have been happy to pay 100 percent, rather than 50 percent, of the appraised fair market value of the property. We simply wanted to straighten the street, and we did not realize what the situation was."

Mr. President, I happen to believe that that is true in a majority of such cases, because once the people at home understand the fairness of the formula which I have insisted be applied, in most cases they will take the position, "We agree with you."

So, Mr. President, as I object to the proposed transfer in Roseburg, Ore., I do so—as I said yesterday—with a sad heart; but I do so because I am completely convinced that I am correct, and that I am serving the public interest by calling for the consistent application of this policy.

Mr. President, in 1953, my office received a request from the attorney representing certain people in Roseburg who wished to obtain a gratuitous conveyance of the Lillie Moore land and house, for historical purposes. They proposed that the property be given to the Douglas County Historical Society.

On July 15, 1953, I wrote to the Roseburg attorney, as follows:

I have this matter under advisement and I trust that eventually we may be able to work out an arrangement that will be satisfactory to the Federal Government and to the Historical Society. Frankly, the problem is not as easy as I thought it would be when I talked to you. It involves a gratuitous transfer of property which belongs to the United States as trustee of all the people. Although I have not reached a final decision, it is my initial impression that under what is known as the "Morse formula," such a transfer would require a payment of 50 percent of the value of the property. It would be most helpful to me if you would consider the proposed transaction in light of that formula and give me the benefit of your thoughts in that respect. For your convenience, I enclose a tearsheet from the CONGRESSIONAL RECORD of June 20, 1952, which discusses the "Morse formula" in some detail.

In a letter dated August 6, 1953, I advised the attorney that I would introduce a "bill authorizing a conveyance of the property to the Douglas County Historical Society at 50 percent of the appraised fair market value." Presumably, this suggestion did not meet with the approval of the historical society, because no request for a bill to authorize a conveyance upon payment of 50 percent

of fair appraised market value was received by me.

#### FIRST SURPLUS PROPERTY DISPOSAL OFFER OF THE LILLIE MOORE PROPERTY

Two years later, the property was put up by the Government for disposal as surplus. The Seattle office of the General Services Administration called for bids on lots 3, 5, 6, and 7, of the Lillie Moore property. The notice provided that the bids were to be opened October 4, 1955. Lot 3, consisting of business property, was sold by GSA for \$55,200 in October 1955.

Mr. President, this is very valuable property. It is in the heart of the business district of Roseburg. This property is located directly behind the Federal post office, and has exceedingly high commercial value. So in this case we are not dealing with a *de minimis* matter.

In a letter dated November 28, 1955, the Seattle regional director of the General Services Administration informed me that lots 5, 6, and 7, comprising the Moore house property, had been withdrawn from the sale the day before the bids were to be opened. This withdrawal was made at the request of Mrs. Micelli of the Douglas County Historical Society and Roseburg City Manager Farrel, presumably to enable the society to obtain legislative action to permit donation of the property by the United States. The General Services Administration's letter also stated that the city of Roseburg had applied under Public Law 616 to acquire the land for parking lot purposes.

#### FIRST LEGISLATIVE PROPOSALS FOR GRATUITOUS TRANSFER OF LILLIE MOORE PROPERTY

On February 29, 1956, Senator NEUBERGER introduced bill S. 3316 of the 84th Congress, and Congressman ELLSWORTH on the same date introduced a companion bill, H. R. 9667, on the House side. These bills proposed the gratuitous transfer of lots 5, 6, and 7 to the city of Roseburg.

S. 3316 was reported by the Senate Government Operations Committee, with amendment, on June 11, 1956—Senate Report No. 2200, 84th Congress. The amendment required the payment of 50 percent of the fair market value of the property including the house thereon and was inserted by the committee at the suggestion of the General Services Administration.

Mr. President, I may say parenthetically that this was clear evidence of the influence of the Morse formula not only on counsel of committee, but, in this case, on the General Services Administration itself. The proposal called for 50 percent of the fair market value of the property. That was nothing more or less than the recognition by the General Services Administration of the Morse formula.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point in my remarks a letter, dated May 24, 1956, addressed by Franklin Floete, Administrator of the General Services Administration, to the Senator from Arkansas [Mr. McCLELLAN] relative to S. 3316.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENERAL SERVICES ADMINISTRATION,  
Washington, D. C., May 24, 1956.

Re S. 3316.

Hon. JOHN L. MCCLELLAN,

Chairman, Committee on Government  
Operations, United States Senate,  
Washington, D. C.

DEAR MR. CHAIRMAN: Further reference is made to your letter of March 3 requesting the views of this agency on S. 3316 which would require the Administrator of General Services to convey three lots in the city of Roseburg, Oreg., together with the dwelling building located thereon and its contents to the city of Roseburg to be used for municipal purposes.

The property involved is a portion of that which was devised to the United States under the will of Miss Lillie Lela Moore who died in 1940. The will was contested by disinherited heirs and final distribution of the estate was not made until 1953, at which time this agency assumed control of the property devised to the Government. Thereafter a portion of the property, consisting of 1 lot on which were 2 buildings, was sold for \$55,200. The remainder of the property is the subject of this bill.

The city of Roseburg has been interested for a number of years in acquiring the land for public-park purposes. The Douglas County Historical Society has indicated a continuing interest in acquiring the building and its contents for removal from its present location and reerection on another site for use as a part of a proposed museum center.

It is understood that if this bill were enacted and the property acquired by the city, it would develop the land for park purposes, and convey the building with its contents to the historical society to be used in the development of its proposed museum center.

The Federal Property and Administrative Services Act of 1949 does not authorize transfers of surplus property to municipalities for unspecified municipal purposes without consideration. It does, however, in conjunction with the Surplus Property Act of 1944, authorize transfers for public park and recreational use upon payment by the city of 50 percent of the fair value of the property based upon the highest and best use of the property at the time it is offered for disposal, and subject to the condition that the property be maintained for the purpose for which it was conveyed for not less than 20 years, in default of which it shall, at the option of the United States, revert to the United States.

We do not consider the fact that the United States acquired this property by devise from a resident of Roseburg, or any other circumstances of the case, created any special equities in the city which would justify enactment of special legislation to authorize a transfer of the property to it without consideration for use for municipal purposes. Accordingly, this agency would not favor enactment of the bill in its present form.

As noted above, the city could obtain the property under the Federal Property and Administrative Services Act for public park and recreational use. However, a transfer under that authority would not permit a subsequent conveyance by the city of the dwelling and its contents to the historical society. Nor would existing authority permit a separate donation or negotiated sale of the building and its contents by GSA to the historical society. Accomplishment of the joint plans of the city and the historical society, toward which this agency is generally sympathetic, would therefore appear to require special legislation.

Accordingly, this agency would not object to the enactment of S. 3316 if it were amended to (1) restrict the use of the land to public park or public recreational purposes, subject to the condition that it be used for such purposes for not less than 20 years, and that in the event it ceases to be so used or maintained during such period, all or any portion of such property in its then existing condition, at the option of the United States, revert to the United States; (2) require the payment by the city of 50 percent of the fair value of the property, including the dwelling and its contents, based on the highest and best use of the property at the time of the transfers; (3) provide for enforcement of the conditions of the transfer by the Secretary of the Interior; and (4) authorize subsequent disposal of the dwelling building and its contents only to the Douglas County Historical Society.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

FRANKLIN G. FLOETE,  
Administrator.

Mr. MORSE. Mr. President, S. 3316—passed the Senate June 14, 1956, and was referred to the House Committee on Government Operations where it was reported by that committee on July 13, 1956—House Report No. 2710. It passed the House, as amended, on July 23, 1956. It passed the Senate shortly thereafter. It became Public Law 883 of the 84th Congress, August 1, 1956.

Public Law 883 appears to have been unsatisfactory to the Historical Society because it merely provided for the gratuitous transfer of the Lillie Moore house and contents and its removal from the land. The house appears to have been of nominal value, and its contents worth only a small sum. In fact, House Report No. 2710, accompanying S. 3316 had this to say concerning the value of the dwelling and personal property therein:

One of the lots and part of another is improved by an old frame dwelling house, the value of which is commercially insignificant and probably limited to salvage. Stored in the house are various pieces of relic furniture and brick-a-brac, the estimated value of which is reportedly no more than a few hundred dollars.

Mr. President, I wish to deal for a moment with regard to the transfer of the house. The provision for the so-called gratuitous transfer of the house was inserted on the House side. I was not here on the day the House-amended S. 3316 was submitted to the Senate. I knew nothing about the gratuitous transfer of the house. Although it apparently involves a de minimis matter, and the house would have been more costly to the Federal Government to remove than to give away, and the Federal Government would receive money by the procedure it followed, nevertheless, had I been here, I would on this occasion, as on other similar occasions, have asked questions which would have made a legislative history in regard to the value of the house, because I have consistently done it for some 12 years in the Senate, as I did yesterday afternoon again when the calendar was called in regard to a series of property transfers.

I understand it is being implied by some that because the house on this

property was transferred gratuitously as the result of action taken in conference, of which I was unaware, therefore the senior Senator from Oregon, some way and somehow, is supposed to be estopped from raising objection to the transfer gratuitously of real estate of the value of approximately \$30,000.

In retrospect it appears that the dwelling house would have presented no Morse formula problem. I have been advised that it was practically valueless. In a letter dated July 17, 1956, addressed to Senator McCLELLAN, chairman of the Senate Government Operations Committee, by Mr. Fred S. Poorman, Acting Commissioner of Public Buildings, Washington, D. C., it was stated:

Our regional office has determined that the structure, formerly the residence of Miss Moore, has no commercial value and has offered to donate it to the city of Roseburg provided the city would remove the building from its present site. The city has not accepted our offer.

With respect to the personal property to be donated pursuant to S. 3316, I would have raised the question had I been present on the floor of the Senate. If it had been of more than nominal value, I would have asked for the application of the Morse formula.

Anyone who studies the RECORD will know how absurd it is to suggest that the gratuitous transfer of the dwelling constitutes a precedent in support of a donation of the land. I wish to repeat for the RECORD that, so far as the gratuitous transfer of the old house is concerned, the RECORD seems to be clear that it was not even worth salvage, that it would cost the Government more to salvage it than it was worth, and that the contents of the house were of exceedingly little value.

#### LEGISLATIVE PROPOSALS IN THE 85TH CONGRESS TO OBTAIN GRATUITOUS TRANSFER OF THE LILLIE MOORE LAND

On April 17, 1957, the junior Senator from Oregon [Mr. NEUBERGER] introduced S. 1915, which proposed to amend Public Law 883 of the 84th Congress by the addition of a section 2 which would authorize the General Services Administration to convey the Lillie Moore lots 5, 6, and 7 to Roseburg upon condition that the lots be used by the Douglas County Historical Society as a historical site. No consideration was mentioned in the bill, but it was provided that the property would revert to the United States in the event it should cease to be used as a historical site. S. 1915 also proposed Federal payment of \$50,000 to the historical society. An identical bill was introduced on the same day by Representative PORTER, H. R. 6995.

These bills were referred to the Government Operations Committees of the respective Houses.

#### ADVERSE COMMITTEE STAFF REPORT ON S. 1915

Later in the summer of 1957, I transmitted to the Senate Government Operations Committee the views of certain Oregon residents in support of S. 1915, and a letter from the Roseburg Chamber of Commerce dated June 14, 1957, opposing H. R. 6995.

In response to the referral of these views I received a letter dated July 19,



1957, addressed to me by the chief clerk of the committee staff, which concluded with this statement:

As you will note, not only did the bill turn over to the city of Roseburg 3 lots which are owned by the Federal Government, without consideration, but would also require a contribution of \$50,000 to the Douglas County Historical Society, approximately 50 percent of the sum accruing to the Government from other properties devised to it by Lillie Lela Moore. I believe, therefore, that you will agree that the bill, in its present form, would not conform to the Morse formula as it has been interpreted by the committee in the past.

Mr. President, of course, the committee staff was completely right. The bill was in clear violation of the Morse formula.

Also, in a letter addressed to Chairman McCLELLAN, of the Senate Government Operations Committee, under date of July 25, 1957, Assistant Director of the Budget Percy Rappaport had this to say with respect to S. 1915:

Since the property in question was acquired by the United States subsequent to 1900 it would not be eligible under existing law for donation as an historical site or monument. We are unaware of any national historical significance attached to this site which would justify special legislation to donate it to the city for this purpose.

I agree with the observation of the Assistant Director of the Budget in his letter of July 25, 1957. The property has State historical significance. It is not for me to pass judgment or to seek to evaluate the historical significance of the property, except to say that it is of historical value to my State. However, in my judgment, my State should buy the property if it wants it for an historical site.

I agree with the Assistant Director of the Budget that certainly from a Federal standpoint the property is not of such historical importance as to justify all the taxpayers of the United States proceeding, in effect, to donate the property to the city of Roseburg, Oreg.

#### SECOND SURPLUS PROPERTY DISPOSAL OFFERING OF LILLIE MOORE PROPERTY

This year a notice was issued by the Seattle office of the General Services Administration informing prospective bidders that a portion of lot 6 and all of lot 7 of the Lillie Moore property would be offered for public sale by the Government, under bids to be opened on May 23, 1958. The General Services Administration office advised me that the successful bidder was a group of five businessmen of Roseburg who offered \$61,525 for two lots. The bid was accepted by the General Services Administration on June 6, 1958. The transaction was handled on a time-purchase basis—40 quarterly payments with interest at 5 percent on the unpaid balance.

#### HOUSE OF REPRESENTATIVES AND SENATE COMMITTEE ACTION ON H. R. 6995

As heretofore indicated, the House took favorable action on H. R. 6995. On July 30, 1958, the Senate Committee on Government Operations reported the bill favorably. The provision for payment of \$50,000 to the historical society by the United States was deleted by the House

committee and was not restored by the Senate committee.

#### A \$30,000 GIFT PROPOSED

Any proposed gratuitous transfer of this real property should be studied carefully because approximately \$30,000 worth of Federal property is involved.

To bear out the point I made concerning the value of this property, we need only to take note of the fact that 2 lots, a part of this property, were purchased by the 5 Roseburg businessmen to whom I just referred for the amount of \$61,525. That was for only 2 lots. This is exceedingly valuable property, and the remaining lot which is covered by the bill now on the Senate calendar is worth at least \$30,000.

House Report No. 1284 and Senate Report No. 2045 purport to justify a gratuitous transfer of this valuable piece of real property upon the grounds that the testatrix intended the property to be used for a museum, and the Roseburg community desires it for that purpose.

#### HOUSE COMMITTEE AMENDS LILLIE MOORE'S WILL

The action of the House committee is based on the premise that it was Lillie Moore's intention that the home and its contents be preserved as a museum. The following comment appears in the House report:

An abundance of evidence was presented to the committee which tended to show that it was the intention of both Miss Lillie Lela Moore and her father, Edward M. Moore, that the home and its contents be preserved as a museum. Apparently it was their belief that this intention would be fulfilled by devising the property to the Federal Government. It is worthy to note that before her death Miss Moore labeled many of the items in the home as to type and use, thus indicating her intention that her home would become a museum. The Douglas County Historical Society is not eligible to acquire the property as a historical site under the provisions of subsection 13 (h) of the Surplus Property Act of 1944 as amended, because that law applies only to property acquired by the Government prior to 1900. The United States Department of the Interior has expressed the opinion that the house and its contents do have valid historical significance, at least insofar as that area is concerned.

After reviewing evidence of the intentions of the testatrix and of the community's desire for a museum, the committee feels that the site on which the house is situated should be conveyed to the city of Roseburg.

The foregoing language is quite startling in that it illustrates the use of extrinsic evidence to vary the clear and explicit language of the Lillie Moore devise of this land as quoted in the earlier portion of my remarks. It is basic in the law of wills that evidence cannot be admitted to explain or vary language of a will unless the language contains a patent ambiguity.

To illustrate, Page, in volume 4 of his authoritative work on the law of wills, page 623, states:

Accordingly, when there is no dispute as to what words were written in the will, it is a fundamental principle that extrinsic evidence cannot be received to show that the testator intended something outside of and independent of such written words.

Mr. President, for many years I taught the law of wills. The principle which I

have just cited is only one of the elementary, undisputed principles of the law of wills, namely, that when the court has before it a will unambiguous in its language, no extrinsic evidence of any nature can be introduced to vary the terms of the will.

I do not intend to sit in the Senate and vote to give away property belonging to all the people of the United States, even though the property is situated in my own State, when under the law of wills the people as a whole own that property and are entitled to it. I shall have more to say about the extrinsic evidence which is now being offered to try to establish a claim that Mrs. Moore intended this property to be used as a museum; but I simply want to pin down the clear statement of the law of wills.

There is nothing in the Moore will which has the slightest ambiguity about it. It was an out-and-out devise of the property to the taxpayers of the United States. They own it. I do not intend to give it away to the Douglas County Historical Society of Oregon, to the city of Roseburg, Oreg., or to any other group in Oregon, any more than I would do it if it involved some other State.

There appears to be no ambiguity as to Lillie Moore's intention that the balance of her property should go to the United States. She said in the clearest possible language:

I give and bequeath the balance of my property, real and personal, to the Government of the United States of America.

The committee took very unusual action when it received evidence of the testatrix' purported intent to have the property used for a museum.

The above-quoted concept should not be confused, of course, with the well-established rule that extrinsic evidence can be used to properly identify the real property that was covered by the will where the instrument itself does not describe the property. For my authority, I quote again from volume 4 of Page on Wills, page 633, section 1619.

Let us take a look at the extrinsic evidence which is now offered by the proponents of the bill, which would make a gratuitous transfer of the property to the city of Roseburg or to the Douglas County Historical Society. This extrinsic evidence now takes the form of signed affidavits by some persons who knew Mrs. Moore when she was still alive. They now say in their affidavits that they are satisfied that Mrs. Moore intended that this property should be used for a museum.

Mr. President, I have been in this case from the beginning. I have sat in the Lillie Moore home in Roseburg, Oreg., in conference with some of the very persons who are trying to get me to agree to support a bill to give that home to the Douglas County Historical Society or to the city of Roseburg; and in those early conferences not one word was said to me about any such alleged intention on the part of Mrs. Moore. It was, of course, raised by the attorney for the Historical Society after I had interposed the Morse formula in my conferences with him.

This case demonstrates one of the reasons for the rule to which I have referred governing the construction of

wills; it is a good illustration why this rule affecting wills reads in the way it does. The testatrix is dead; she cannot be brought back from her grave to testify. The public policy behind this rule governing the construction of wills is a sound one, namely, that after a person is dead and gone, his intentions, as expressed in a clear and unambiguous manner in his will, will not be disturbed by affidavits by anyone who says, "I now swear that such and such was the intention of the deceased."

Mr. President, I do not question the honesty, the sincerity, or the motives of the signers of the affidavits. I am discussing the soundness of an abstract principle of Anglo-Saxon law which over the centuries has been found to be sound in protecting the intentions of a deceased person who has expressed his intentions in a written document. I repeat that rule of law: When a testator or testatrix states, in clear, unambiguous language, a devise or bequest of certain property, it cannot be set aside by extrinsic evidence. That is the rule; and I shall stand by it. I taught it in law school for too many years to forget it after I came to the Senate. If it was the intention of the testatrix that the property in question be used as a museum, one would have to assume that her lawyer, who drafted her will, would have so stated in the will. It is easy to allege that she must have had a poor lawyer. But certainly he was good enough to include in the will a clear and unambiguous provision for the transfer of the property; and that is good enough for me.

So Mr. President, I am sorry; but I do not intend to be influenced at all by extrinsic evidence, now offered, which seeks to establish the claim that Mrs. Moore intended this property to be used as a museum. She did not so state in her will. The will speaks for itself, as the court would say. The extrinsic evidence would not be admissible in court; and on the basis of such evidence, I do not propose to vary the Morse formula.

Mr. President, this bill involves a proposed gratuitous transfer of land in my own State to an organization which desires to put the land to a most laudable use. Nothing would please me more than to be in position to say in all honesty, "I approve." Yet, if I were to do so, I would be properly subject to the charge of exercising favoritism for my own State. If this gratuitous transfer of \$30,000 worth of real property were proposed with respect to land situated in New York, Texas, California, Illinois or any other State, I would have to oppose it, as being in violation of the so-called Morse formula. Therefore, I shall have to oppose the bill, even though it involves Oregon land and possible Oregon beneficiaries.

In cases of this general type, I have consistently applied the Morse formula, so as to require payment of 50 percent of the fair appraised market value of the property, when a public use is contemplated. I have also called for the added safeguard of a provision which would assure that the land would revert to the United States in the event the

property ceased to be used for public purposes.

MISINTERPRETATION OF MORSE FORMULA BY  
LIBRARY OF CONGRESS

In the discussion of Senate bill 6995 in the Senate on August 4, 1958, my colleague, the Senator from Oregon [Mr. NEUBERGER], placed in the RECORD a letter, dated March 10, 1958, addressed to Representative PORTER by Dr. Ernest S. Griffith, of the Library of Congress. The letter does not correctly interpret the Morse formula; but the letter is most interesting, and I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,  
LEGISLATIVE REFERENCE SERVICE,  
Washington, D. C., March 10, 1958.  
The Honorable CHARLES PORTER,  
House of Representatives,  
Washington, D. C.

DEAR MR. PORTER: In connection with H. R. 6995, you have asked for a search for possible precedents—the precedent being, as we understand it, a situation where the United States, having acquired property by gift and, having received profits therefrom, is later asked to carry out an unwritten condition of the original donor. In the present instance it means dedicating a part of the property for the purpose indicated (a museum), and returning or contributing a share of the cash profits already received.

As so delimited, the situation is obviously quite specialized, and it would be beyond the reach of any tool we have available to identify applicable legislation, if there is such.

You further indicate that your real interest is in avoiding any application of the Morse formula, which you feel does not apply in a case of this sort.

As a matter of fact, the author of the Morse formula is on record to this same effect. Attached is a copy of Senate Report No. 2061 on H. R. 8123 in the 84th Congress. Senator Morse's letter (see pp. 3-5) states very clearly his conception of the formula, and his thought that it did not apply to property donated to the Government and which was sought to be reconveyed to a city for public purposes. His criterion was that the proposed transfer in its essence represents fair play and equity. It would seem that the argument would equally hold in the present instance.

Sincerely yours,

ERNEST S. GRIFFITH,  
Director.

Mr. MORSE. Mr. President, I hope this inaccurate letter does not reflect the general caliber of the research work performed for us by the Library of Congress. We rely upon the Library of Congress, and we are entitled to information far more accurate than that which was imparted in the letter just quoted.

Representative PORTER received from Dr. Griffith the benefit of his interpretation that the Morse formula does not apply to the transfer proposed in House bill 6995; and in support of his interpretation he cited my comments in the Roseburg Veterans Hospital land transfer case of 1956 (H. R. 8123 of the 84th Congress—Senate Report No. 2061). In seizing upon the alleged analogy, Dr. Griffith failed to observe a distinction between the veterans' hospital case and the Lillie Moore case. He failed to point out, as indicated in my letter appearing

at page 6 of the above-cited report No. 2061, that—

When the city of Roseburg donated 413.7 acres of land to the United States in 1932, the understanding of the city and Government officials, either express or implied, was that the land would be dedicated to the United States as the site of a veterans hospital.

In many cases, including a bill passed during the call of the calendar on yesterday, I have pointed out this distinction. In commenting on House bill 4503, August 4 CONGRESSIONAL RECORD, page 15973, I said:

Mr. President, I make this statement for the benefit of the researchers in the Library of Congress, who apparently do not understand the consistent application of that particular formula. At no time have I applied it to a piece of property which was given to the Federal Government by a State, a municipality, or other donor for a specific Federal purpose and, when that purpose has been accomplished or can no longer be subserved, the property went back to the donor. That is not like the Oregon case which came up earlier this afternoon. In the Oregon case the property was given to the Federal Government, and thereby to all the taxpayers of the United States, as an out-and-out gift.

If Dr. Griffith had discussed this matter with me before he issued his interpretation of the Morse formula, as applied to the facts of the Lillie Moore case, he would not, I am sure, have written as he did in his letter of March 10, 1958. It is my belief that he would have drawn a careful distinction between the cases, and would have advised Representative PORTER that when land is donated for a particular purpose, such as a veterans hospital, it can be reconveyed by the United States without consideration when the specific purpose can no longer be served. He would have added, I believe, that this is not the rule when land is given to the United States, not for a particular purpose, but outright, as in the Lillie Moore case.

Mr. President, in fairness to Representative PORTER, of Oregon, who earlier today came to the Senate, to discuss this matter with me, I wish to call attention to the distinction between the veterans' hospital case and the Lillie Moore case and other precedents. In fairness to Representative PORTER, I wish to say that he said that heretofore he had not been aware of that distinction. I also wish to say that, regardless of any statements to the effect that the junior Senator from Oregon [Mr. NEUBERGER] has not objected to the proposed transfer of the property, there is no personal animosity or ill feeling on my part toward either of my colleagues who are involved on the other side of this issue. In fact, this afternoon I said to Representative PORTER that, come next January, if the House bill is revised so as to contain provision for application of the Morse formula, and then is reintroduced in the House, I shall support it enthusiastically and shall do all within my power to cooperate with him in securing passage of the bill, as thus revised; and I told him that in the meantime I would join him in requesting of the General Services Administration that the property not be sold until



we have an opportunity, come next January, to have the revised bill, which then will include provision for application of the Morse formula, passed by the House.

I made it clear to Representative PORTER that I would not agree to a request for consideration and passage of the House bill by the Senate, even when the bill was amended by the inclusion of a provision for application of the Morse formula, because—as I announced to the Senate last year—I had learned by sad experience that sometimes when I entered into such an arrangement, the bill would go to conference, and in the conference the provision for application of the Morse formula would be dropped. So last year I served notice that when a House bill was involved, I would object to the consideration of the bill until it went back to the House and the House sent to the Senate a bill containing the Morse formula, because I do not intend knowingly to be a party to a parliamentary tactic which might succeed in defeating the application of the Morse formula by passing in the Senate a House bill which does not include the formula, but has added to it the Morse formula by amendment, and then have the formula dropped in conference.

#### ANALOGY TO EXISTING LAW

One section of the Federal Surplus Property Act of 1944, as amended, reads:

Notwithstanding any other provision of this act \* \* \* any disposal agency \* \* \* may, with the approval of the Administrator of General Services, convey to any State, political subdivision, instrumentalities thereof, or municipality, all of the right, title, and interest of the United States in and to any surplus land \* \* \* which in the determination of the Secretary of the Interior, is suitable and desirable for use as a public park, public recreational area, or historic monument, for the benefit of the public.

(2) Conveyance for park or recreational purposes made pursuant to the authority contained in this subsection shall be made at a price equal to 50 percent of the fair value of the property conveyed. (Title 50, U. S. C., appendix, sec. 1622 (h).)

#### CONVEYANCES FOR HISTORIC-MONUMENT PURPOSES

The same section as that just quoted goes on to say:

Conveyances of property for historic-monument purposes under this subsection shall be made without monetary consideration: *Provided*, That no property shall be determined under this paragraph to be suitable or desirable for use as an historic monument except in conformity with the recommendation of the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments established by section 3 of the act entitled "An act for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes," approved August 21, 1935 (49 Stat. 666) (sec. 463 of title 16), and no property shall be so determined to be suitable or desirable for such use if (A) its area exceeds that necessary for the preservation and proper observation of the historic monument situated thereon, or (B) it was acquired by the United States at any time subsequent to January 1, 1900.

With respect to both types of transfers just mentioned the same statute says:

(3) The deed of conveyance of any surplus real property disposed of under the provisions of this subsection—

(A) shall provide that all such property shall be used and maintained for the purpose for which it was conveyed for a period of not less than 20 years, and that in the event that such property ceases to be used or maintained for such purpose during such period, all or any portion of such property shall in its then existing condition, at the option of the United States, revert to the United States; and

(B) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator of General Services to be necessary to safeguard the interests of the United States.

If the proponents of H. R. 6995 should desire to proceed under the provisions of existing law by calling for a conveyance of this property to the city of Roseburg for park or recreational purposes, upon payment of 50 percent of fair value, as specifically provided by the statute, I would be more than pleased to cooperate in endeavoring to fit the museum proposal into the concept of a conveyance for park or recreational purposes. It would be my guess that a bit of research would produce some helpful precedents.

If the proponents of this transfer should desire a gratuitous conveyance of this property on the theory that it is an historic monument, then I believe they should seek to amend the law so as to make it applicable to the case they have in mind. This amendment should not be limited to the specific conveyance of the Roseburg property, but should apply to all future proposed gratuitous conveyance for historic-monument purposes. As this section of the law now stands, the Lillie Moore property could not be conveyed gratuitously because, among other reasons, it was acquired by the United States subsequent to January 1, 1900.

I regret that it has become necessary to oppose this transfer in the present form of the bill H. R. 6995, but if I were to do otherwise I could no longer justify my insistence of the application of the so-called Morse formula in other cases coming before the United States Senate for action.

Mr. President, I turn now briefly to another matter.

The PRESIDING OFFICER. The Senator from Oregon.

#### BIG TIMBERMEN AND THE SMALL BUSINESS ACT OF 1958

Mr. MORSE. Mr. President, on July 23 we passed the Small Business Act of 1958. This act includes a provision which, among other things, may help small timbermen secure a fair share of Government timber. This is a discretionary authority and must be developed by careful study by the Small Business Administration, the Forest Service, and the Bureau of Land Management.

Initially, before setting up a program of this type, the agency should gather the facts, establish the situation, and consider possible approaches. The next logical step would be to try these approaches when, and only when, small-business men present their problems, and see whether the program meets these problems. The next step, if the

proposed solution is found wanting, is to try to improve it.

It has come to my attention that spokesmen for the larger timber interests, the Industrial Forestry Association and the National Lumber Manufacturers Association, have been suggesting to the Small Business Administration that it not implement the provision of this law—the product of a Senate amendment—which would permit a small business set-aside program for timber.

Mr. President, I have some thoughts for these large timber representatives to consider and I offer them out here in the open where the public also will have the information.

The Small Business Administration is going to study the problems of the small timbermen. It is going to listen to suggestions from interested parties. It is going to consider the facts before it acts. It is going to act only if genuine small timbermen can show they need help.

The Small Business Administration will not sit back and wring its hands and report that it simply does not know how it can help the little fellow.

It is going to take a little time for the Small Business Administration to get the facts to determine what sort of a program may be needed, but it will be done.

I would warn the large timbermen not to line up their captive contractors and flood the Small Business Administration with slanted stories. The Small Business Administration can find out whether the little operator is really an independent or is in fact a captive contractor of the big fellow.

My advice to the big timbermen is to let the law which was passed by the Congress and signed by the President take its course. Let the Small Business Administration make its findings. I can assure both large and small timbermen that I shall help small business get fair treatment. Before any program is put into operation I shall suggest that there be—

First. An opportunity for evaluation and final comment.

Second. Operation on a trial basis.

Third. Evaluation of these results.

Fourth. A redetermination of how effective the program is.

I shall not stand by and let the big timber interests try to gut this law. The idea that a law which may not meet with someone's approval should not be carried out, or tried, is foreign to the entire basis of representative government. I am glad that the Small Business Administration is proceeding with the interests of small business well in mind.

Mr. President—

The PRESIDING OFFICER. The Senator from Oregon.

#### MIDDLE EAST POLICY

Mr. MORSE. Mr. President, a great many letters I receive these days point out that conditions in the Middle East have not been as they have been represented by the administration. The letters indicate that the facts in regard to the situation in the Middle East prior

to the sending of troops into the Middle East were not given the American people.

I note that one of our ablest columnists, Miss Doris Fleenon, writing in tonight's Washington Star, apparently is not aware of the fact that a group of us, including the present occupant of the chair, the Senator from Wisconsin [Mr. PROXMIRE], have on several occasions stood on the floor of the Senate to oppose the administration policies in the Middle East and to point out that the President's constitutional power is limited entirely to his Commander in Chief power for protection of American lives, which is, of course, a highly limited power. There is imposed upon the President the duty to take steps to evacuate Americans in Lebanon, for example. However, that is not what the President proposed to do or what he did. He has not proceeded to exercise his power to evacuate Americans in Lebanon. Probably one of the reasons is that many Americans in Lebanon advised the administration they did not want the troops in Lebanon and there was no need for the troops. In fact, the evidence is pretty clear that even while the civil war was going on, the Americans found no interruption at all in their daily lives, including their recreation on the beaches of Lebanon.

The President did say that a second reason for sending troops into Lebanon was to keep a commitment he had made with Chamoun. Let me say, for the benefit of Miss Fleenon and others, that, as I have said before on the floor of the Senate, the President has no authority under the Constitution of the United States to send troops into Lebanon for any such purpose without the approval of the Congress of the United States. In that sense the President in sending troops into Lebanon has been exercising authoritarian power beyond his constitutional power. I care not who the President is; this one or any other. We cannot countenance in this country the exercise of any such authoritarian power by any President of the United States, otherwise, a President could send troops anywhere in the world to fulfill some commitment he had made with some foreign power to afford it protection.

Mr. President, that is a dangerous exercise of authoritarian power and there is no constitutional law concept which authorizes it under our Constitution.

I have stood on the floor of the Senate during the past 14 years and defended the inherent power of the President of the United States as Commander in Chief to protect American lives when they are threatened. But, Mr. President, that is quite a different thing from a President going beyond his inherent power to protect the leader of some foreign government with whom the President has made a commitment.

I have stood on the floor of the Senate, as I shall again, to oppose the Bricker amendment, but I will say to the President of the United States from this desk tonight, it is exactly such conduct as he has evidenced in Lebanon which gives support to the forces in this country who would like to have a Bricker amendment become law.

Mr. President, when a President of the United States undertakes to send troops into any other country of the world for any purpose other than to protect the lives of Americans in danger, unless directed by the Congress of the United States to do so, I repeat that he is acting unconstitutionally. I hope, before the present session of Congress is over, the Congress will face up to this question and either sanction, at the President's request, the action which he has taken to support Chamoun, or reject it, as I think Congress should reject it, in case of a formal request for approval.

I have said these things, in effect, before in this historic debate, but I am saying them now for the benefit of those who are writing columns to the effect that the senior Senator from Oregon has been silent in regard to this matter. We will let the CONGRESSIONAL RECORD speak for itself.

I have been pleased to join with the Senator from Montana [Mr. MANSFIELD], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Wisconsin [Mr. PROXMIRE] to name only three Senators who have spoken against the President's policy in the Middle East. I think the RECORD will also show I have done so more frequently and at greater length on the floor of the Senate than any of my colleagues in the Senate.

In my opinion, a very black and sorry and sad chapter of foreign policy is being written by the President of the United States and by the Secretary of State in sending troops into the Middle East. I believe we have played right into the hands of the vicious propaganda of the Russians. I think we have given a plausibility to their vicious, lying propaganda about American intentions in the field of foreign policy. The United States has a glorious record of foreign policy over the decades. We ought to stand on it, and the President ought not to proceed to violate that record by the exercise of an unconstitutional authoritarian power.

#### THE LABOR REFORM BILL

Mr. KENNEDY. Mr. President, there have been many words spoken about the Kennedy-Ives labor reform bill, S. 3974, since its passage by the Senate. There has been partisanship and exaggeration on both sides. But I stand before the Senate today with the distinguished senior Senator from New York, my good friend and colleague [Mr. IVES], in a posture of complete nonpartisanship in an attempt to convey to this body dispassionately and accurately the meaning of certain sections of the bill, so that doubts need no longer plague the disturbed.

In doing this, we do not mean to impute bad faith to any group or person. It is quite possible, in an extremely complicated field of legislation such as this, to misread legislative intent as well as statutory language—and I might say that I regard it to be a serious obligation of attorneys to subject legislative language to careful scrutiny so as accurately to ascertain the effect which it would have on their clients. In this case, how-

ever, we are convinced that some attorneys have been overprotective and have seen pitfalls where none exist. Principal criticism has been leveled at sections 103 and 607 of the bill. I ask unanimous consent to have inserted at this point in my remarks a memorandum concerning sections 103 and 607 of the bill.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

#### EXPLANATORY MEMORANDUM OF SECTIONS 103 AND 607 OF S. 3974 EMPLOYER REPORTING

Section 103 of S. 3974 requires an employer to report all expenditures in excess of \$5,000 made by him to influence or affect employees in the exercise of their rights to organize or bargain collectively, or who is a party to an arrangement with any person to provide such employer with paid informants or other services designed to interfere with, coerce or restrain employees in their collective bargaining rights.

It is abundantly clear to us, as members of the McClellan Investigating Committee and of the Committee on Labor and Public Welfare, which held hearings on this bill and carefully drafted its provisions, that this section of S. 3974 was not designed in any way to touch what might be described as normal labor relations expenditures.

This section requires employer reporting of expenditures for services which might result in the commission of an unfair labor practice. Under the Taft-Hartley law, it is already illegal for an employer to interfere with, restrain, or coerce employees in the exercise of their rights to bargain collectively. Moreover, unilateral action by an employer increasing wages or granting other fringe benefits in order to influence an employee in his right to select or reject a labor organization is illegal today. Therefore, requiring an employer to file financial statements concerning such expenditures is completely consistent with the existing law.

Some have claimed that under this provision an employer could not even send a Christmas greeting to an employee. This contention of course is baseless unless, of course, below the "Merry Christmas" greeting there was an admonition to vote against the union. The plain fact is that normal employee-employer relations would not be affected one bit by this provision.

The section, in addition to requiring reporting of expenditures which might result in the commission of unfair labor practices, also includes as a reportable item outlays which are directly related to the rights to organize and bargain which are protected by section 7 of the Taft-Hartley Act. Therefore, the cost of a house organ or other employer publication not directed to influencing employees with respect to specific organizational efforts or their decisions in a representational election would not be required to be reported under this section of the bill.

This line is not difficult to draw. An employer who makes a certain expenditure—let us say to hire a Shefferman—knows full well what his purpose is in making it. It should be added that this section in no way interferes with the right of an employer to communicate with his employees. The only penalty which attaches to the section is for a willful, and I repeat the word "willful," failure to report relevant material. This section imposes no terribly onerous burden on employers. As compared with the detailed statements required from a trade union, listing every receipt and disbursement, including officer salaries, strike funds, organizational expenses, political activity, and so forth, this is a mild provision indeed. Its principal purpose is to smoke out the unsavory activity



of Shefferman-type operators who disturb industrial relations to the disadvantage of both employers and workers.

#### BRIBERY OF UNION OFFICIALS

The other section of this bill which has been the object of so much misleading comment is section 607. This provision of the bill amends the antibribery section of the Taft-Hartley Act. The legislative history of this section is so explicit that there can be no reasonable confusion about the fact that it is designed to forbid the making of improper payments to an employee or any other person for the purpose of influencing employees in the exercise of their right to organize or bargain collectively. Consider the language of the committee report, for instance—

"The amendments contained in this section would remove any doubt that all forms of bribery and extortion which might escape the provisions of existing law would be caught by the amendments. The intent of these amendments to section 302 is to forbid any payment or bribe by an employer or anyone acting on his behalf, whether technically an agent or not, and to forbid the receipt of any such bribe by any person, whether an individual, an officer, or employee of a labor organization, or a committee representing employees."

Who could honestly read into this provision a prohibition of the check-off or who could imagine its forbidding the conduct of normal and legitimate labor relations? Clearly this provision prohibits improper payments to union officials, employees, or middlemen—in a word, it forbids bribes or pay-offs. To read it otherwise is to ignore the intent of the drafters and the legislative history of the provision.

There has also been some comment about the Taft-Hartley amendments contained in the bill which we cosponsored. As we have always maintained, this bill is not primarily a revision of labor relations law. It is a bill designed to implement the legislative recommendations of the McClellan committee. It should be clearly understood that the Taft-Hartley revisions contained in this measure stem from administration recommendations with the exception of the redefinition of supervisor and the banning of the truck unloading fee racket. Each of these had broad support as Senator CASE of South Dakota said of the redefinition of supervisor, "The change would be a useful one in that it would give the NLRB a firm test as regards who constitute supervisory employees."

Mr. KENNEDY. Mr. President, section 103 places no restrictions on employers whatsoever. It merely calls for the filing of financial reports, considerably less burdensome than those required of unions, by only those employers who are involved in suspect middleman arrangements to coerce their employees, or those spending more than \$5,000 to influence their employees in the matter of selecting a union or other collective bargaining rights. No report is required of expenditures made in the normal course of employer-employee relations, communications or promotion of good will—the employer who does not seek to interfere with, influence, or coerce his employees' bargaining rights need not file any report at all.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 4059) for the relief of Mr. and Mrs. Carmen Scoppet-

tuolo; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LANE, Mr. MONTAÑA, and Mr. POFF were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 6283) for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl H. Blaisdell; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LANE, Mr. MONTAÑA, and Mr. CRETELLA were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 424) to improve the administration of justice by authorizing the Judicial Conference of the United States to establish institutes and joint councils on sentencing, to provide additional methods of sentencing, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CELLER, Mr. WILLIS, Mr. TUCK, Mr. KEATING, and Mr. CRAMER were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 5949. An act to provide for the conveyance of certain real property of the United States located at the Veterans' Administration hospital near Amarillo, Tex., to Potter County, Tex.; and

H. R. 8831. An act for the relief of Joseph R. Burger.

#### ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 4675. An act to provide that certain employees under the jurisdiction of the commissioner of public lands and those under the jurisdiction of the board of harbor commissioners of the Territory of Hawaii shall be subject to the civil-service laws of the Territory of Hawaii;

H. R. 9792. An act to validate the conveyance of certain land in the State of California by the Southern Pacific Co. to James Giono;

H. R. 11611. An act for the relief of McCune C. Ott;

H. R. 11868. An act to amend the act of August 11, 1955 (69 Stat. 632), relating to the rehabilitation and preservation of historic properties in the New York City area, and for other purposes; and

H. J. Res. 618. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

#### ADJOURNMENT

Mr. MORSE. I move that the Senate adjourn.

The motion was agreed to; and (at 6 o'clock and 30 minutes p. m.) the Senate adjourned until tomorrow, Wednesday,

August 6, 1958, at 12 o'clock meridian.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate August 5, 1958:

##### UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

I. Jack Martin, of Maryland, to be associate judge of the United States Court of Customs and Patent Appeals.

##### BOARD OF PAROLE

George J. Reed, of Minnesota, to be a member of the Board of Parole for the term expiring September 30, 1964.

##### UNITED STATES ATTORNEY

Robert H. Schnacke, of California, to be United States attorney, for the northern district of California.

##### UNITED STATES MARSHAL

Edward John Pettibon, of Louisiana, to be United States marshal for the eastern district of Louisiana, for the term of 4 years.

##### APPOINTMENTS IN THE NAVY

Adm. Robert P. Briscoe, United States Navy, to be placed on the retired list with the rank of admiral under the provisions of title 10, United States Code, section 5233.

Having designated, under the provisions of title 10, United States Code, section 5231, Vice Adm. Charles R. Brown, United States Navy, for commands and other duties determined by the President to be within the contemplation of said section, the President has nominated him to have the grade, rank, pay, and allowances of admiral while so serving.

Having designated, under the provisions of title 10, United States Code, section 5231, Rear Adm. Clarence E. Ekstrom, United States Navy, for commands and other duties determined by the President to be within the contemplation of said section, the President has nominated him to have the grade, rank, pay, and allowances of vice admiral while so serving.

##### TEMPORARY APPOINTMENT IN THE NAVY

The following-named captains of the line of the Navy for temporary promotion to the grade indicated, subject to qualification therefor as provided by law:

##### To be rear admirals

Frederick V. H. Hilles	Charles T. Booth II
Alexander S. Heyward, Jr.	Hazlett P. Weatherwax
Jack S. Dorsey	John L. Chew
Frank B. Miller	John W. Gannon
Raymond N. Sharp	Forsyth Massey
Emmet O'Beirne	John S. McCain, Jr.
Edward E. Colestock	Louis J. Kirn
Elonzo B. Grantham, Jr.	Ralph C. Johnson
William E. Ellis	Charles K. Duncan
William S. Post, Jr.	John A. Tyree, Jr.
Harry Smith	Frederick L. Ashworth
Arthur F. Spring	George H. Miller
John B. Colwell	Benedict J. Semmes, Jr.
Bernard F. Roeder	Bernard A. Clarey
Thomas R. Kurtz, Jr.	William I. Martin

##### POSTMASTERS

##### ALABAMA

Harry Y. Dempsey, Jr., Jacksonville.

##### CONNECTICUT

Elmer M. Macfarlane, South Willington.

##### FLORIDA

David Peyton Yon, Tallahassee.

##### IDAHO

Richard E. Payne, Elk River.

##### INDIANA

Austin H. Flanders, Carmel.

Wyman L. Wells, Coal City.

Clarence R. Keene, Wheatfield.

## IOWA

Leo E. Eichelberger, Palmer.  
Gladys M. Housman, Pleasant Valley.

## KANSAS

Leroy F. Heath, Attica.  
Billy R. Pike, Healy.

## KENTUCKY

Kendall L. Alexander, Crofton.

## MARYLAND

Pryce A. Lehman, Cockeysville.

## MICHIGAN

Ralph L. Klackle, Bridgman.  
Russell F. Keeney, Dorr.  
Neil G. Kalmbach, Grass Lake.  
Frank D. Borla, Iron Mountain.  
Harold L. Hande, Mattawan.  
Ren A. DeRuitter, McBain.  
Barbara J. Leach, McBrides.  
Charles C. Larsen, Jr., Newaygo.  
Catherine Kline, Scotts.

## MINNESOTA

Dean Lawrence Swanson, Hamel.  
Robert L. Rislove, Peterson.

## MISSISSIPPI

Forrest E. Figg, Courtland.  
Robert M. Neill, Ellisville.

## NEVADA

Pearl Louise Stanley, Fernley.

## NEW HAMPSHIRE

Richard Warren Eddy, Concord.

## NEW JERSEY

John James Healy, Atco.  
Harold G. Tucker, Bayonne.

## NORTH CAROLINA

Charlie N. Morris, Pelham.

## SOUTH CAROLINA

Dorothy G. Stoudemire, Little Mountain.

## TEXAS

James Ray Moore, Clarendon.  
Glenn R. Prater, Dayton.  
Burna H. Cain, Thrall.  
Horace M. Camp, Whitney.

## WISCONSIN

Forrest C. Spangberg, Strum.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on August 4, 1958, the President approved and signed a bill of the House of the following title:

H. R. 13121. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 1283. An act for the relief of Charles T. Crowder;

H. R. 1317. An act for the relief of Ralph N. Meeks;

H. R. 1565. An act for the relief of Donald R. Pence;

H. R. 1602. An act for the relief of Lillian Cummings;

H. R. 2689. An act to provide for the conveyance of all right, title, and interest of the United States in and to certain real property to Stella Vusich;

H. R. 4183. An act to amend an act entitled "An act to provide for the refunding of the bonds of municipal corporations and public-utility districts in the Territory of Alaska, to validate bonds which have heretofore been issued by a municipal corporation or any public-utility district in the Territory of Alaska, and for other purposes" (54 Stat. 14), approved June 17, 1940; to validate bonds which have heretofore been issued by any municipal corporation, any public-utility district or any school district in the Territory of Alaska; and for other purposes;

H. R. 4381. An act to amend the act of July 1, 1948 (62 Stat. 1215) to authorize the furnishing of headstones or markers in memory of members of the Armed Forces dying in the service, whose remains have not been recovered or identified or were buried at sea;

H. R. 4461. An act for the relief of Johnnie P. Saylor;

H. R. 4503. An act to provide that all interests of the United States in a certain tract of land formerly conveyed to it by the Commonwealth of Kentucky, shall be quit-claimed and returned to the Commonwealth of Kentucky;

H. R. 4675. An act to provide that certain employees under the jurisdiction of the commissioner of public lands and those under the jurisdiction of the board of harbor commissioners of the Territory of Hawaii shall be subject to the civil-service laws of the Territory of Hawaii;

H. R. 4768. An act to quiet title and possession with respect to certain real property in the county San Jacinto, Tex., and authorizing named parties to bring suit for title and possession of same;

H. R. 5322. An act to extend certain veterans' benefits to or on behalf of dependent husbands and widowers of female veterans;

H. R. 5450. An act to authorize the enlargement of the administrative headquarters site for Isle Royale National Park, Houghton, Mich., and for other purposes;

H. R. 5904. An act for the relief of Thomson Contracting Co., Inc.;

H. R. 6038. An act to revise the boundary of the Kings Canyon National Park, in the State of California, and for other purposes;

H. R. 6198. An act to exclude certain lands from the Sequoia National Park, in the State of California, and for other purposes;

H. R. 6274. An act to provide that the Secretary of the Interior shall accept title to Grant's Tomb in New York, N. Y., and maintain it as the General Grant National Memorial;

H. R. 6593. An act for the relief of Mrs. Juanita Burna;

H. R. 6785. An act to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (48 U. S. C. 381);

H. R. 6970. An act for the relief of C. A. Nolan;

H. R. 7293. An act for the relief of Capt. Carl F. Dykeman;

H. R. 7790. An act to provide for the forfeiture of the right-of-way located within the State of California heretofore granted to the Atlantic & Pacific Railroad Co. by the United States;

H. R. 8046. An act for the relief of Joaquin A. Bazan;

H. R. 8211. An act to authorize and direct the Secretary of the Interior to quitclaim to Joseph G. Pettet all right, title, and interest of the United States in and to certain lands in the State of Montana;

H. R. 8231. An act for the relief of certain employees of the Department of the Navy at the United States Naval Gun Factory, Washington, D. C.;

H. R. 8233. An act for the relief of James L. McCabe;

H. R. 8313. An act for the relief of Wayne W. Powers, of Walla Walla, Wash.;

H. R. 8833. An act for the relief of S. A. Romine;

H. R. 8842. An act to quitclaim interest of the United States to certain land in Smith County, Miss., and to terminate restrictions against alienation thereon;

H. R. 8859. An act to quiet title and possession with respect to certain real property in the county of Humboldt, State of California;

H. R. 8980. An act to authorize an exchange of lands at Hot Springs National Park, Ark., and for other purposes;

H. R. 9006. An act for the relief of John C. Houghton, Jr.;

H. R. 9756. An act for the relief of Gerald K. Edwards, Lawrence R. Hitchcock, Thomas J. Davey, and Gerald H. Donnelly;

H. R. 9792. An act to validate the conveyance of certain land in the State of California by the Southern Pacific Co. to James Giono;

H. R. 9884. An act for the relief of Tamas Akos and Lilla Akos;

H. R. 9986. An act for the relief of 1st Lt. Luther A. Stamm;

H. R. 10094. An act for the relief of Western Union Telegraph Co.;

H. R. 10220. An act for the relief of William E. Nash;

H. R. 10416. An act for the relief of J. Henry Ennen and others;

H. R. 10423. An act to grant the status of public lands to certain reef lands and vesting authority in the commissioner of public lands of the Territory of Hawaii in respect of reef lands having the status of public lands;

H. R. 10461. An act to amend section 315 (m) of the Veterans' Benefits Act of 1957 to provide a special rate of compensation for certain blind veterans;

H. R. 10885. An act for the relief of Tibor Wolfner;

H. R. 11008. An act to authorize the Secretary of the Interior to exchange certain land at Vicksburg National Military Park, Miss., and for other purposes;

H. R. 11108. An act for the relief of Mrs. Christina Tules;

H. R. 11203. An act for the relief of the State House, Inc.;

## HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 5, 1958

The House met at 12 o'clock noon.  
The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

*Ecclesiastes 8: 12: It shall be well with them that fear God.*

Almighty God, we worship and adore Thee as the source of our well-being, the light of all that is true, the strength of all that is good, and the glory of all that is beautiful.

We beseech Thee to bless our minds with a reassuring vision of Thy gracious and beneficent purposes and our hearts with a splendor of faith and courage which nothing can ever eclipse or extinguish.

Grant that the principles of justice and righteousness, of friendship and brotherhood may be the foundation stones on which we are seeking to build an enduring civilization.

May our President, our Speaker, and our chosen Representatives be inspired with moral and spiritual power as they respond to the arduous task of leading mankind into the brightness and blessedness of a better day.

Hear us in Christ's name. Amen.